

Heath chances of staying on look good

Conservatives' new procedure for electing party leader each session was published yesterday, but, with no substantial challenger in sight, Mr Heath's chances of confirming his position look good, our Political Editor writes. Tory backbenchers are saying privately the leadership dispute is inflicting unnecessary damage on Mr Heath and the party.

New procedure but no challenger

Wood
The new procedure for the election of a Conservative leader to be held next year (details, p. 14), the parliamentary rank of the candidates will be the same as the rank of the candidates in the election of Mr Heath. Mr Heath, the favoured standard-bearer of the 1974 Committee, has hopes of being elected, but he could not be elected if he is not the only candidate standing in the election.

Thatcher is now the only challenger to Mr Heath who has been in the ring. Mr Heath privately insists that he cannot stand against Mr Heath. Mr Heath, the favoured standard-bearer of the 1974 Committee, has hopes of being elected, but he could not be elected if he is not the only candidate standing in the election.

Thatcher is now the only challenger to Mr Heath who has been in the ring. Mr Heath privately insists that he cannot stand against Mr Heath. Mr Heath, the favoured standard-bearer of the 1974 Committee, has hopes of being elected, but he could not be elected if he is not the only candidate standing in the election.

Thatcher is now the only challenger to Mr Heath who has been in the ring. Mr Heath privately insists that he cannot stand against Mr Heath. Mr Heath, the favoured standard-bearer of the 1974 Committee, has hopes of being elected, but he could not be elected if he is not the only candidate standing in the election.

Thatcher is now the only challenger to Mr Heath who has been in the ring. Mr Heath privately insists that he cannot stand against Mr Heath. Mr Heath, the favoured standard-bearer of the 1974 Committee, has hopes of being elected, but he could not be elected if he is not the only candidate standing in the election.

Britain to deport arrested Palestinian student today for security reasons

A Staff Reporter
A Palestinian student, who was arrested in Kent last week, is to be deported today on the grounds that his presence in the United Kingdom is not conducive to the public good. The Home Office refused to give details. Mr Babaa has been in Britain for three years, and for the past year has been studying at Kettering Technical College. Students from the college yesterday handed in at 10 Downing Street a protest against his deportation. There is no obligation on the Home Office to delay Mr Babaa's deportation because national security is involved. Mr James McKinnay, the college principal, said he had spoken to Mr Babaa yesterday, and that he did not plan to make representations, being signed to his expulsion. There have been several

"We have changed the rules," he said, "to put the responsibility squarely on the shoulders of members of the party in the Commons to try to get a decisive result in the first ballot."

But the vital change, according to most backbenchers, will be an invitation to MPs to abstain in the first ballot and leave the way clear for new candidates to present themselves for the second vote. Under the old procedure, the leader was elected if one candidate received an overall majority and 15 per cent more of the votes cast than any other candidate. The votes cast "was the key phrase."

Under new rules the leader would be elected if "one candidate both receives an overall majority of the votes of those entitled to vote"—which means the 276 Conservative MPs—and receives 15 per cent more of the votes of those entitled to vote than any other candidate. The important phrase here is "of those entitled to vote."

There might well be deliberate abstentions to show the lack of support for either Mr Heath, who intends to stand, and Mrs Thatcher, the only other contender so far to declare herself, in order to ensure that more favoured candidates could be encouraged to stand in the second ballot.

MPs who support Mr Heath were saying yesterday that they would seek to change the rules to ensure that all prospective candidates stand in the first ballot. That would obviously help Mr Heath to survive as leader and make the election comprehensible to the public.

They argue that the complicated procedure preserved in the new scheme is really half-way between a complete democracy and the old system of leaving the choice to a "magic circle" within the party.

The rules for the second ballot state that both the original candidates stand in the second ballot, and any other candidates could stand.

The new rules lay down the procedure for the views of all sections, including the Conservative peers and Conservatives in constituencies not represented by Tories in Parliament, to be conveyed to the 1974 Committee before the election. Members of the 1974 Committee will be expected to take those views into account, but the electoral college remains the body of Conservative MPs. For the first time the composition of the confirming body is set out. The candidate elected by the party in the first ballot will be presented "for confirmation" to a party meeting of MPs, Conservative peers, and members of the executive committee of the National Union, which would be the non-parliamentary body, in alliance with some backbenchers, to reject the 1974 Committee's nominee in or out of government. He thought that unlikely.

Petrol to cost at least 10p a gallon more as price control is abolished

By Edward Townsend
Business News Staff

The price of four-star petrol is likely to soar on Friday to 74p a gallon in some areas and may go up by another 2p a gallon before Christmas. A prediction to that effect was made yesterday by the Petroleum Retailers' Association after the announcement by Mr Varley, Secretary of State for Energy, of a record increase in petrol prices and the abolition of maximum retail price control.

The Price Commission has allowed eight oil companies to increase prices from Friday, which would add about 7p a gallon and 25 per cent value-added tax to petrol, but Mr Varley said he had made it clear to the garage trade that he did not expect pump prices to in-

crease by more than 10p. He hinted that price controls might be imposed if they did. Reimposition might lead to a clash between the Government and retailers who, in campaigning for the abolition of price controls, have maintained that the erosion of their profit margins has forced hundreds of filling stations to close.

Small filling stations, particularly those in rural areas faced with paying high surcharges on comparatively small fuel deliveries, may increase prices by an extra 1p or 2p a gallon on top of Mr Varley's 10p "limit". Mr Geoffrey Atkinson, general secretary of the Petroleum Retailers' Association, described the 10p limit as absolute nonsense. Mr Varley had removed restrictions, with one hand but

EEC COMPARISON

The following prices are charged for four-star petrol in the EEC:

| | |
|----------------|-----|
| Italy | 88p |
| France | 76p |
| Denmark | 75p |
| Belgium | 74p |
| Holland | 74p |
| West Germany | 71p |
| Irish Republic | 69p |

was brandishing the threat to reimpose them with the other, he said. The extra 1p that garages had been given indirectly as their margin was not enough, and 74p a gallon on Friday was almost certain.

However, big garages in urban areas may well limit the increase to about 9p a gallon, and the price in London and in

places close to refineries is expected to be 72p a gallon. The increases do not take into account the 4 per cent price rise announced by the big oil exporters at the weekend, and if the Government continues to load increases on to petrol the four-star price might go up by a further 2p.

The Price Commission pointed out yesterday that garages still had to observe the requirements of the price code and could not earn profits in excess of their reference levels. The commission is studying the fuel distributors' margins and is expected to report in February. Mr Varley's statement, given in a Commons written reply, said the oil companies needed increases because of the higher cost of crude oil. He recognized

that some rise in retailers' margins was warranted now that oil products were plentiful and there was widespread competition. He announced that price control on Derv would also end on Friday and the cost of paraffin would rise by 3p a gallon but still be subject to control.

Later the Price Commission disclosed that it had cut all the increases sought by the oil companies. Gulf Oil, which had wanted a 39 per cent increase, had its application reduced by 7.54 per cent; Texaco's proposed 33.9 per cent rise was cut by 0.13 per cent; and there were varying cuts on applications from BP, Burmah-Castrol, Esso, Mobil, Shell and Total. The oil companies' last in-

crease was 10 months ago, when the price went up by 8p to 50p a gallon. In April VAT was imposed on petrol, first at 10 per cent and then rising to 25 per cent last month.

Shell Mex and BP, Esso and Mobil had said yesterday their wholesale prices would go up from midnight last night by 7.35p, exclusive of VAT. Home heating would also cost more. Shell said paraffin would go up 2.08p a gallon and gas oil by 2.75p. Esso is increasing paraffin by 1p and gas oil by 2p, and Mobil heating oils will go up by 1.5p.

Increases on Derv are also being varied. Shell is adding 2.08p a gallon to retailers, Mobil 1.75p and Esso 2p. Motorists bearing brunt, page 21

Mr Wilson denies Stonehouse spying

By Hugh Noyes
Parliamentary Correspondent

Westminster
Mr Wilson said in a Commons statement yesterday that there was no truth in reports that Mr John Stonehouse, who was arrested in Miami four weeks ago, was spying either for the Czechoslovak intelligence service or for the United States Central Intelligence Agency.

Nor was there any proof that the missing MP was being kept under investigation or surveillance by the security service at the time of his disappearance. Taking the unusual course of making a statement on newspaper reports about intelligence activities, Mr Wilson said that the allegations were first made by a Czechoslovak defector in 1969 when Mr Stonehouse was a member of the Labour Government. With the Prime Minister's approval they were fully investigated at the time, and both the defector and Mr Stonehouse were interviewed by the security service.

After those investigations the security service advised him that there was no evidence to support the allegations. He had been advised again yesterday that no more evidence had come to light since 1969.

"One has always to face the possibility," Mr Wilson said, "that when defectors come out of the country where they have been and find their capital diminished their intellectual capital, of course, they try to revive their memories on matters." It should be obvious to all that there had been a scintilla of evidence Mr Stonehouse would not have remained a member of the Government. He had given all possible help to the investigations in 1969.

From the Opposition front bench Mr Heath asked for an assurance that the present case was not a serious one. Mr Wilson said that when allegations of a security risk were made in the press a statement had immediately been made in the House.

The Prime Minister replied that it was a difficult matter, but there had been a serious press campaign based on stories going back to 1969, when he was responsible for such matters. They had been fully investigated at the time and there was nothing in them. It had been proved that Mr Stonehouse was not a Czechoslovak spy and also that he was not a security risk. Mr Wilson said it did not follow from this case that he would comment on all future allegations of that nature.

Labour MPs urged that Mr Stonehouse be fully released from the "distressing pressures" caused by the rumours and innuendoes. Mr Wilson agreed that that was causing great distress to them. He urged that the press should act with discretion.

Parliamentary report, page 12

Wilson-Brezhnev talks planned

Mr Wilson is to visit Moscow for discussions with Mr Brezhnev, the Soviet party leader, early next year, our Political Editor writes. After the Prime Minister had announced his mission to the Commons yesterday, it became clear that the visit will not occur before February and will follow, as usual, a meeting with the President of the United States.



Miss Ballantine with her father after arriving at Heathrow airport last night.

Freed British girl arrives home

By Tim Jones

Miss Susan Ballantine, the Cheltenham student who was jailed in East Germany for five years in September for trying to smuggle her boyfriend to the West, was released yesterday after serving "six months 16 days and 14 hours in prison".

Miss Ballantine, who is 23, hugged her father, Mr Cecil Ballantine, after she had arrived at Heathrow airport, London, and said: "This was the best Christmas present I could have had. I have no complaints about my treatment. I was treated a lot better than other prisoners."

But she was not prepared to answer questions about her boyfriend, Herr Volker Benes, a trainer for an East Berlin football team, or about her prison conditions. Her father, a college lecturer, said any

answers to those questions could "prejudice negotiations that may still be continuing".

Miss Ballantine, who was convicted of being involved with a professional Western organizer, as well as aiding and abetting illegal border crossings, described her ordeal as "six months of sheer boredom". She added: "I think I was well treated because I kicked up a fuss."

For the first five months she had been dressed in a track suit and then issued with a "school-girl" type uniform. She would not comment when asked whether she regretted her actions.

She had no indication that she was going to be released until yesterday morning. "I was taken before the public prosecutor and told I was being released after the State Council had issued an act of clemency. I just said: 'Thank you' in German."

"It feels absolutely incredible to be back. I can't believe it. The six months won't exist now. I just want to pick up where I left off, finish my studies and get a job."

Her father, who was in the office of Amnesty International when he heard the news, said: "This is our Christmas present. We were expecting to drink to absent friends, but now it won't be necessary. We shall have a wonderful family Christmas."

Miss Ballantine's case brought a storm of protest in Britain and Mr Wilson intervened personally with an appeal for clemency to his East German counterpart, Herr Horst Sindermann.

The move was totally unexpected. Last month Miss Ballantine had been moved to a top security prison near the Czechoslovakia border and certain privileges were denied her. She was not allowed English newspapers, magazines or books, and communication with her family was restricted. Even her English Bible was taken away.

UN resolution on Namibia urges S African pull-out

The Security Council yesterday adopted a strongly worded resolution urging South Africa to withdraw from Namibia. It condemned the illegal South African occupation of the territory, and set out a series of measures with which South Africa must comply. In the event of non-compliance, the Council will consider "appropriate measures".

Page 6

British opinion swings towards Community

The British people are developing warmer feelings towards the European Community, according to an opinion poll published by the European Commission in Brussels yesterday. The poll also shows that in most other EEC countries few people care very much whether Britain stays a member or withdraws.

'Shadow' jury tougher

An experiment in which "shadow" juries in courts disagreed with sworn jurors' verdict in seven cases out of 28 is reported today by the Oxford Panel Research Unit. On the whole, shadow juries were more inclined to "convict". They "acquitted" only two defendants actually convicted by a jury.

'No EEC threat' to oil

Mr Eric Varley, Secretary of State for Energy, yesterday dismissed the idea that Britain's membership of the EEC poses a threat to its control of North Sea oil reserves. At the first meeting of the Energy Ministers of the Nine in Brussels yesterday, no one challenged Mr Varley's claim to sovereignty over these resources.

Australia gain 2-0 lead

Australia beat England by nine wickets with more than a day to spare in the second Test match at Perth yesterday. Australia now lead 2-0 in the six-match series. Thompson, the Australian fast bowler, dismissed Greig, Denness and Fletcher in his first three overs. Timmus with 61 was England's top scorer.

Page 10

Greek presidency move

The Greek Government yesterday proposed to Parliament that Mr Michael Stasinopoulos, a judge, should be appointed as interim President. His powers would be largely ceremonial and he would act as head of state for three or four months while Parliament works out a new constitution. A vote is expected today.

British Library: Lord Eccles, in his first annual report, reaffirms his conviction that the new building should be opposite the British Museum.

Hospital consultants: More 'work to contract' action as anger mounts over delay in negotiation with health department.

Press freedom: Mr Foot gave a guarded response in the Commons to a Newspaper Society call for round-table talks.

Washington: President Ford succeeds in coaxing Congress into allowing military aid to Turkey to be resumed.

Tokyo: The Japanese Government announces plans to reduce oil consumption in the country by 3 per cent.

Sugar: Court of Appeal grants English dealers in Paris market an interim injunction stopping payments by London International Commodities Clearing House. Law Report.

Psychologists: Eric Wigham takes a look at the increasing use of psychologists in industry.

Tunisia: Two-page Special Report looks at the achievements and shortcomings of President Bourguiba's regime.

Israel's papers advertise anti-Zionists

From Our Own Correspondent
Jerusalem, Dec 17
Israel's newspapers accept anti-Zionist advertisements worse than that published by The Times last week, the Jerusalem evening newspaper Yediot Aharonot said yesterday.

It said in a leading article: "It is of course good that The Times retreated. Because if it had turned its attention to Israeli newspapers, which publish advertisements which are far more extremely anti-Zionist and anti-Israel than the one published in the British newspaper, it would certainly have thought twice before drawing back because of the voices of protest by its shocked Jewish readers."

French MPs agree to tunnel

Paris, Dec 17.—The National Assembly has authorized the French Government to ratify the Channel tunnel treaty with Britain. It did not take account of the British request.

M Henri Caville, the Transport Secretary, said, however: "The French Government is proposing to postpone by a few weeks the deadline for ratification, because the British Parliament has not yet studied the Bill permitting ratification."

Overseas selling prices

Republic of Ireland: 10.50p
Australia: 10.50p
New Zealand: 10.50p
Canada: 10.50p
USA: 10.50p
Japan: 10.50p
South Africa: 10.50p
India: 10.50p
Pakistan: 10.50p
Bangladesh: 10.50p
Sri Lanka: 10.50p
Ceylon: 10.50p
Malaya: 10.50p
Singapore: 10.50p
Brunei: 10.50p
Nepal: 10.50p
Bhutan: 10.50p
Tibet: 10.50p
Mongolia: 10.50p
Uzbekistan: 10.50p
Turkmenistan: 10.50p
Kyrgyzstan: 10.50p
Tajikistan: 10.50p
Afghanistan: 10.50p
Pakistan: 10.50p
India: 10.50p
Sri Lanka: 10.50p
Ceylon: 10.50p
Malaya: 10.50p
Singapore: 10.50p
Brunei: 10.50p
Nepal: 10.50p
Bhutan: 10.50p
Tibet: 10.50p
Mongolia: 10.50p
Uzbekistan: 10.50p
Turkmenistan: 10.50p
Kyrgyzstan: 10.50p
Tajikistan: 10.50p
Afghanistan: 10.50p

Keith Devonshire knows a lot about money

It hasn't exactly been a great year for many financial wizards. But some have done a great deal better than others. In particular those who have spread their investments to get the greatest security. An Abbey National Share Account is just such an investment. With Abbey, your money's safe as houses. And the interest 7.5% is worth over 11% to the basic rate taxpayer. Other Abbey National schemes pay even more—Abbey National S.A.E., which is tax free benefits, is particularly advantageous to the higher taxpayer. But to a lot of people, an Abbey National Share Account is just the easiest place to keep their money safe, readily available without fuss or penalty, while earning a fair return. We're glad to say that these people are doing just as well with Abbey as are the more astute financial wizards. You could, too. Come on in. To your local Abbey National Branch.

ABBEY NATIONAL

Get the Abbey Habit for the security you need today
Abbey National Building Society, Dept. Abbey House, Baker Street, London NW1 1LX. For the address of your nearest branch or local agent, see Yellow Pages.

So he's invested in the same place as Jenny Parker

Keith Devonshire, who has been in the news for his alleged involvement in the collapse of the BCCI bank, is said to have invested in the same place as Jenny Parker, the woman who was arrested last week on charges of fraud.

Mr Devonshire, who is said to have been in the news for his alleged involvement in the collapse of the BCCI bank, is said to have invested in the same place as Jenny Parker, the woman who was arrested last week on charges of fraud.

So he's invested in the same place as Jenny Parker

Keith Devonshire, who has been in the news for his alleged involvement in the collapse of the BCCI bank, is said to have invested in the same place as Jenny Parker, the woman who was arrested last week on charges of fraud.

Mr Devonshire, who is said to have been in the news for his alleged involvement in the collapse of the BCCI bank, is said to have invested in the same place as Jenny Parker, the woman who was arrested last week on charges of fraud.

So he's invested in the same place as Jenny Parker

Keith Devonshire, who has been in the news for his alleged involvement in the collapse of the BCCI bank, is said to have invested in the same place as Jenny Parker, the woman who was arrested last week on charges of fraud.

Mr Devonshire, who is said to have been in the news for his alleged involvement in the collapse of the BCCI bank, is said to have invested in the same place as Jenny Parker, the woman who was arrested last week on charges of fraud.

Mr Devonshire, who is said to have been in the news for his alleged involvement in the collapse of the BCCI bank, is said to have invested in the same place as Jenny Parker, the woman who was arrested last week on charges of fraud.

Mr Devonshire, who is said to have been in the news for his alleged involvement in the collapse of the BCCI bank, is said to have invested in the same place as Jenny Parker, the woman who was arrested last week on charges of fraud.

Mr Devonshire, who is said to have been in the news for his alleged involvement in the collapse of the BCCI bank, is said to have invested in the same place as Jenny Parker, the woman who was arrested last week on charges of fraud.

Mr Devonshire, who is said to have been in the news for his alleged involvement in the collapse of the BCCI bank, is said to have invested in the same place as Jenny Parker, the woman who was arrested last week on charges of fraud.

Mr Devonshire, who is said to have been in the news for his alleged involvement in the collapse of the BCCI bank, is said to have invested in the same place as Jenny Parker, the woman who was arrested last week on charges of fraud.

"Does ITT give a damn about Britain's balance of payments?"

Facts can sometimes be uncomfortable.
Especially when they shatter a popular myth.
In ITT's case, the myth is that, as a multinational
company, its only interest in Britain is how much money
it can get out of it.

And the facts?

Last year, ITT companies in Britain paid over £12
million in Corporation Tax and more than £73 million
in wages and salaries. They invested £8.6 million in
new production facilities and £9.5 million in research
and development.

This year, these same companies will earn more
than £50 million in exports and spend less than
£30 million on imports. (And the imports are nearly
all essential raw materials.)

After shareholders have been paid a dividend,
the net contribution to Britain's balance of payments
will still be more than £11 million.

And that's a fact.

For further information please write to 190 Strand, London WC2R 1DU.

ITT companies in Britain include:

Abbey Life Assurance, Ashe Laboratories, Excess Insurance,

ITT Consumer Products, Rimmel, Sheraton,

Standard Telephones and Cables, and Standard Telecommunication Laboratories.

HOME NEWS

'Shadow' jurors disagreed with one court verdict in four, penal research report says

By Peter Evans

Home Affairs Correspondent

"Shadow" jurors introduced into courts disagreed with the real jury in seven cases out of 28 in an experiment. In five cases they were prepared to find the accused person guilty, but the real jury found him innocent. In the remaining two, the shadow jurors disagreed with the finding of the real ones that the accused was guilty.

The experiment was conducted by the Oxford Penal Research Unit. In its report, published today, Mrs Sarah McCabe, senior research officer, and Mr Robert Purves, now a barrister, emphasized that in 21 trials out of 28 real and shadow jurors were in substantial agreement.

"In each of these cases not 10 or 12, but between 20 and 24 men and women came to the same decision about the guilt or innocence of the defendant."

Acquittals were fractionally fewer than convictions where the two juries agreed, but, on the whole, shadow jurors were more inclined to convict than to acquit. The report comments:

There may be several reasons for this, but at least one of them must be the feeling of the real jury that the consequences of conviction, or grave and that to acquit, were acquittal is at all possible, is better than to convict.

Throughout our shadow jury deliberations there are scattered references to the consequences of conviction. The agreement of real and shadow jury verdicts persuades us that this consideration was equally present in the minds of the shadow jurors.

The shadow jurors were selected from the electoral roll by the usual system. They heard all the evidence, sitting as the public in the court, then went off to reach conclusions.

The unit says a surprisingly large proportion of people from all classes agreed to give up a day for the experiment. They were paid the normal jury rate. The cases chosen, with the cooperation of the courts, were those likely to take no more than a day. They varied from malicious wounding to larceny, motoring, and drug offences and assault on the police.

Unlike the real jury, the shadow one found innocent a man charged with receiving. His explanation was that he bought the goods from somebody who had reason to have obtained them honestly.

Transcripts of the shadow jurors' deliberations in that case show how argument swung members round to the belief that the prosecution had not proved its case. Originally seven on the shadow jury thought the man guilty.

The second case in which the shadow jury disagreed with the real one and thought a man innocent was over a burglary. The transcript discloses a reluctance by the shadow jury to accept police evidence of what a man said when he was first asked to go to the police station.

We're just going on one man's word against another man's word. . . . One man's against a policeman's. Why does a policeman make any difference?

He's trained to take things, these things, and to remember them. I don't know, all this talk about his being a policeman. It's a man against a man. You should treat that policeman as you would any other witness.

I don't question the policeman's honesty, just the phrasing; and you're about to condemn a man, by the way, on one sentence which another person wrote down.

In another case, involving a woman accused of receiving, one juror said:

They (the police) know that she's guilty, but they just can't pin it on her, and therefore, being as they can't pin it on her, she must be given the benefit of the doubt. That's why I voted not guilty.

A second juror replied, heatedly:

This is what you are doing though, supporting a criminal, a known criminal.

The report says that usually the shadow jurors left the court room with a high level of agreement about their ultimate verdicts. There were few cases where more than five members were persuaded to change their opinion.

The shadow jurors showed determination in looking for evidence upon which convictions could be based. When it seemed inadequate, they were not prepared to allow their hunch that the defendant was involved in some way in the offence charged to stand in the way of acquittal.

The criminality or otherwise of certain types of behaviour was a matter for discussion and consideration in the light of all the circumstances of the offence and the defendant's explanation of his part in it. The report adds:

Prosecutors rely on the court and jury, rather than the CID interview room, not merely for proof of guilt but for the definition of crime which the law itself is inadequate to provide.

Defendants choose jury trial so that their behaviour, their character, and their reputation may be evaluated by their fellow citizens. For those who make this choice there is the inevitable hazard of the varying response of jurors, but from the evidence of the shadow jury discussions there was also a strong sense of equity that took over when all the evidence had been considered.

The Shadow Jury at Work, by Sarah McCabe and Robert Purves, Oxford Penal Research Unit (Basil Blackwell, Oxford, £1).

Local arts spending up by 16 pc last year

By Kenneth Gosling
Arts Reporter

Local authority spending on the arts and museums in 1973-1974 amounted to between £14.7m and £15.5m compared with more than £70m on public libraries, more than £300m on social services and about £2,500m on education, an Arts Council survey reports today.

There are few signs of any dramatic increase in local authority spending on the arts this year, although the survey notes the development of civic support.

The average estimated increase for 1973-1974 is 16 per cent, including 12 per cent for the Greater London Council and 17 per cent for the five most populated county boroughs.

The 706 authorities who answered the survey, about half those questioned, spent the equivalent of 0.11p rate on arts and museums. Other sources had established that those authorities which did not reply spent at least £500,000.

But where expenditure by the two groups was able to be compared, the non-respondents had contributed at half the rate or less. It was thus unlikely that they would have spent as much as £400,000 on direct provision.

Replies to the survey, conducted just before reorganization, came mainly from the larger authorities, practically all the main cities, 78 per cent of the county boroughs, 74 per cent of county councils and 94 per cent of London boroughs.

The survey notes distortions caused by biennial or triennial arts festivals, giving a nil return one year but many thousands of pounds the next, and to the fact that for some authorities the main support goes to the local museum or art gallery.

Others give "hidden" subsidies by publicizing arts organizations, providing officers to act in voluntary capacities and giving rent and rate relief.

The new local authorities inherited uneven provision for the arts. Many new district councils covered areas with no tradition of public spending on the arts; while a strong civic tradition of support for the arts has developed in other areas, particularly in recent years.

The Arts and Museums 1973-74 (Arts Council Publications Department, 105 Piccadilly, London, W1V 0AU, £1).



Sir John Cohen, founder of Tesco Stores, joined a pre-Christmas celebration at the Camden High Street store yesterday.

Mr Foot cool over press freedom talks

By Our Parliamentary Staff

Mr Foot, Secretary of State for Employment, gave a guarded reception yesterday to the call by the Newspaper Society for an urgent conference on press freedom and the closed shop.

He told MPs in the Commons standing committee considering the Trade Union and Labour Relations (Amendment) Bill that he would consider the letter from Mr W. M. Young, president of the Newspaper Society, asking him to invite the National Union of Journalists, the Institute of Journalists, the Newspaper Society, Guild of Newspaper Editors and others "concerned about safeguards for press freedom" to a conference.

But he added: "I doubt very much whether a conference of that character is the right way to deal with these matters. The best place to deal with this question is the House of Commons."

The Newspaper Society initiative had been welcomed by Mr Prior, opposition spokesman on employment, who said that something would have to be

written into the Bill to safeguard press freedom. He welcomed the fact that the committee was to adjourn until January 14, and hoped that Mr Foot would use the recess to find a way round the difficulty.

The committee was considering consideration of an opposition amendment to retain in the Bill provisions relating to safeguards dealing with arbitrary exclusion or expulsion of members from trade unions.

Mr Foot, winding up the debate, said the question how to protect people in a closed-shop situation was of great importance. More individuals would be protected by the tribunal which had been devised than by anything suggested by the Opposition. He hoped it would be given a fair trial.

The editors' difficulty could not be overcome by law. That was why he was strongly in favour of the NUJ initiative for discussions towards devising terms that could be put into union membership agreements.

The Opposition amendment was rejected by 11 votes to nine.

In brief

Judith Ward jail move

Judith Ward has joined the Price sisters in Durham jail. All are in the women's top security wing converted recently from that which formerly held the mail train robbers and other long-term men prisoners. The Price sisters were moved from Brixton prison on Sunday. Miss Ward, aged 25, is serving a sentence of 30 years for the M62 coach-bombing.

Egypt official's theft

A man caught stealing a pair of trousers from a West End store was director of Egypt's Ministry of Industry, in London to attend a conference on behalf of his government, the Marlborough Street Magistrate was told yesterday. Fuad Ahmed Sobhy, aged 48, was fined £50 for the £3.99 theft.

Baggage men back

Baggage loaders in British Airways' domestic division returned to work at Heathrow yesterday after a four-day dispute, during which passengers had to carry their own cases.

Tomato me lobby MPs for oil cost aid

From Ronald Faux
Glasgow

Tomato growers from Clyde valley will lobby MP London today for help to their industry. At the end of the year the fuel subsidy tomato growers ends and in present EEC regulations not be replaced. That, they will expose a thousand people employed in tomato growing the Clyde valley to the effect of rising fuel costs place the Dutch and Belg growers in a vastly better position.

The Clyde valley growers believe the Government and an investment of £5 in new glasshouses to produce type of tomato that grows swiftly but demands much heat. In the meantime fuel have risen from £2,000 an acre in 1971 to £5,300. When subsidy is removed the cost soars to £8,500 an acre.

"The Dutch have access unlimited sources of cheap fuel. When the subsidy goes Britain they will be up to £5 an acre better off than Scottish growers. The industry will simply collapse," grower said yesterday.

Already a large ton bearing area has not been sown for next year's crop. The industry is convinced that it can remain competitive without fuel subsidy. Growers are demanding it should be maintained until, it is hoped, they have benefit of North Sea oil, as Dutch have the advantage North Sea gas.

Another grower pointed that the Clyde valley account for four fifths of Scotland production. Whole prices have increased by more than a fifth over the five years while wages in industry have risen by more than three times for men and women in the past month alone.

Half of Britain's requirements are imported although Scotland grows 7 tons a year now that it is likely to fall dramatically. All we shall be as for to have equal trading partners in Europe," grower said. "In order to be even we must have a yield 65 tons an acre. The return in 1968 was 10.3p a po and costs have gone sky high."

Mr James Brown, a gro in Lanarkshire, said he reduced his tomato crop from 10 acres to four and unless market improved he would cease production.

Law Society clears Colonel Brooks

The Law Society announced yesterday that it is to take no action against Colonel John Brooks, who figured in the recent "bottom-sparking" libel action. He will be allowed to remain a practising solicitor.

The society said that its professional purposes committee had decided that the facts revealed were relevant to his private rather than his professional life.

"In arriving at their decision the professional purposes committee were nevertheless not unaware of the adverse and widespread publicity and the comments, during his summing-up, of Mr Justice Bristow," of Mr Colonel Brooks, of Cheyne Walk, Chelsea, was awarded £p damages in the High Court last month in a libel action against the *Sunday People*. It had alleged that he lured girls into a "sex trap" on his motor cruiser on the Thames. Colonel Brooks, a former mayor of Kensington and Chelsea, denied the allegations and said he spanked girls only with their consent.

rather than his professional life.

"In arriving at their decision the professional purposes committee were nevertheless not unaware of the adverse and widespread publicity and the comments, during his summing-up, of Mr Justice Bristow," of Mr Colonel Brooks, of Cheyne Walk, Chelsea, was awarded £p damages in the High Court last month in a libel action against the *Sunday People*. It had alleged that he lured girls into a "sex trap" on his motor cruiser on the Thames. Colonel Brooks, a former mayor of Kensington and Chelsea, denied the allegations and said he spanked girls only with their consent.

rather than his professional life.

"In arriving at their decision the professional purposes committee were nevertheless not unaware of the adverse and widespread publicity and the comments, during his summing-up, of Mr Justice Bristow," of Mr Colonel Brooks, of Cheyne Walk, Chelsea, was awarded £p damages in the High Court last month in a libel action against the *Sunday People*. It had alleged that he lured girls into a "sex trap" on his motor cruiser on the Thames. Colonel Brooks, a former mayor of Kensington and Chelsea, denied the allegations and said he spanked girls only with their consent.



Take home a White Horse this Christmas.
FINE OLD SCOTCH WHISKY

How to keep a super secretary and a wife as well.

Give them Courrèges Empreinte—a most original perfume created by today's most exciting couturier.

It's exclusive and expensive, but it's a small price to pay to keep both women in your life happy.

Courrèges-empreinte
One of the few original gifts left.

Runway extension plan at Yeadoon doomed

From Ronald Kershaw
Wakefield

The penultimate seal on the fate of plans to extend the 5,400ft runway at the Leeds Bradford Airport at Yeadoon was firmly placed by the Policy and Resources Committee of West Yorkshire County Council yesterday. By 11 votes to five it opposed extension.

West Yorkshire County Council now joins Leeds Metropolitan Council in opposition to extensions, leaving Bradford Metropolitan Council alone in on the 2,000ft extensions, estimated to cost some £5m at 1974

prices, has developed into a political battle with Labour members against and Conservative supporters. It is still possible that the airport committee will come out in favour of extensions but it would be an empty gesture because money would not be forthcoming from West Yorkshire and Leeds councils.

The recommendation rejecting the extensions said the runway should be kept open pending further investigation and that the county council should vigorously pursue the case for an airport providing a full service to the Yorkshire and Humberside region.

Law to protect confidences suggested

By Our Legal Correspondent

A tort of breach of confidence should be created by statute, the Law Commission proposes provisionally in a working paper published today. It would protect trade secrets and personal information and would replace the existing common law action for breach of confidence, the scope of which, the Law Commission says, is uncertain and confusing.

The new tort should be based on "breach of a statutory duty of confidence not to disclose or use information acquired in confidence except to the extent that such disclosure or use is authorized by the person to whom the duty is owed". The Law Commission's study follows

the view of the Younger committee on privacy, in 1972, that actions for breach of confidence could be of great value in the protection of privacy.

Three categories of the tort are suggested by the Law Commission. First, where disclosure or use of information would deprive the person to whom the duty of confidence was owed from gaining financially from it. A typical example, the report says, would be where confidential particulars of an invention are used so that the inventor himself is unable to exploit it.

The second category is where disclosure would cause direct financial loss to the person. An example given is when one per-

son reveals the circumstances of another's divorce knowing that his employer would dismiss him when he learnt it.

The third is where disclosure would cause distress. The report cites the case of some revealing the confidential that his informant was a ho sexual.

The Law Commission poses defences to the tort, including lawful authority to close, privilege, public interest and not knowing there was duty of confidentiality.

It also suggests a new of disclosing or using information obtained unlawfully.

The Law Commission's Working Paper 58, Breach of Confidence (Stationery Office, £1.20).

Proposers of candidates for Tory leadership will not be named

The procedure for selecting the leader of the Conservative Party was issued yesterday. The document states:

Timing of elections and general responsibilities:

1. If the position of leader of the party is vacant, an election shall be held as early as possible.
2. Otherwise there shall be an election in the House of Commons beginning within 28 days of the opening of each new session of Parliament, except that in the case of a new Parliament the election shall be held not earlier than three months nor later than six months from the date of assembly of that Parliament. The actual date will be determined by the leader of the party in consultation with the chairman of the 1922 Committee.
3. The chairman of the 1922 Committee will be responsible for the conduct of all ballots and will settle all matters in relation thereto.

Nominations and list of candidates:

Candidates will be proposed and seconded in writing by MPs in receipt of the Conservative whip. The chairman of the 1922 Committee and scrutineers designated by him will be available to receive nominations. Each candidate will indicate on the nomination paper that he is prepared to accept nomination, and no candidate will accept more than one nomination.

The names of the proposer and seconder will not be published and will remain confidential to the scrutineers. Nominations will close by noon on a Thursday five days before the date of the first ballot.

5. If only one valid nomination is received, the chairman of the 1922 Committee shall declare this person elected.

If more than one valid nomination is received, the chairman of the 1922 Committee will publish a list of the valid nominations and immediately transmit a copy to the two vice-chairmen of the 1922 Committee, the Chief Whip in the House of Commons, the chairman of the National Union, the chairman of the National Conservative and Unionist Association, the chairman and deputy chairman of the party in Scotland, the leader of the party in the House of Lords and the Chief Whip in the Lords.

Procedure for consultation with Members of the Party outside the House of Commons.

6. During the period between the close of nominations and the date

of the first ballot, it shall be the responsibility of constituency associations, represented by Conservative MPs, to inform the members of their views regarding the candidates.

7. Similarly, the leader of the party in the Lords and the Chief Whip in the Lords will make such arrangements as appropriate to obtain the views of peers in receipt of the Conservative whip.

8. In order that all sections of the party shall be consulted, area chairmen of the National Union will obtain the opinions of constituency associations, through their chairmen, and report their findings to the chairman of the National Union and the chairman of the executive of the National Union.

In Scotland the area chairmen will similarly consult and report to the president of the Scottish Conservative and Unionist Association. They will also report to Conservative MPs within the area of their responsibility the views of constituents not represented by a Conservative MP.

9. The leader of the party in the Lords, the Chief Whip in the Lords, the chairman of the National Union and the chairman of the executive of the National Union, together with the presidents of the Scottish Conservative and Unionist Association, will on the Monday attend a meeting of the executive of the party for the purpose of conveying to them the collective views of the peers in receipt of the Conservative whip, the National Union and the Scottish Conservative and Unionist Association respectively.

First ballot:

10. The first ballot will be held on the Tuesday immediately following. For this ballot the scrutineers will prepare a ballot paper listing the names of the candidates and give a copy for the purpose of balloting to each MP in receipt of the Conservative whip.

11. For the first ballot each voter will indicate one choice from the candidates listed.

12. Where any members are unavoidably absent from the House on that day, through sickness or by being abroad, the scrutineers will make arrangements to receive their votes.

13. The ballot will be secret and neither the names of those who have voted for a particular candidate nor the names of those who have abstained from voting shall be disclosed by the scrutineers.

14. If, as a result of this ballot, one candidate both (i) receives an overall majority of the votes of those entitled to vote and (ii) re-

Bow Group call to Heath allies not to stand down

By John Groser

A direct appeal is made today to Mr Whitelaw and other senior Conservative politicians to make themselves available as candidates for the party leadership. The call comes from the influential Bow Group in the latest issue of *Crossbow*.

An editorial article argues that, now that a new system of electing the Conservative leader has been recommended by the Douglas-Home committee, "it would be wrong if those close to Mr Heath . . . give in to their natural reluctance to make themselves available. That would turn any election into a farce and deny the party the full choice it has a right to expect."

Mr Peter Lloyd, editor of *Crossbow*, and immediate past chairman of the group, who fought Nottingham, West, in both elections this year, apparently speaks for the party's younger element when he says: "It would be an act of great statesmanship if Mr Heath finally decided to stand down."

The article questions the widely held belief in the party that Mr Heath will be proved right by events. It also declares that "it is clear that the bulk of the parliamentary party are unhappy with Mr Heath's continued leadership."

Mr Lloyd and his fellow Groupers suggest that "over the next few years it is vital that the Conservatives have a leader who is able to articulate a positive and liberal alternative state socialism that carries conviction and humanity."

While conceding the for Prime Minister's private qualities of vision and compass the article says he is "permanently unsuited" for the role that the new leader have to fulfil.

He is, it is alleged, about to lose his credibility as a champion of counter-inflation. It is a growing belief that monetary policies of the Heath Administration fuelled inflation and contributed substantially to the country's present economic plight.

Crossbow concludes that main argument against Heath's continued leadership is that the party under him "ceased to know where it is going and what it stands for."

Tory reversals, it says, "revealed the absence of a clear view of how the economy, society work and what the relationship of government should be to both."

'Monolithic' basis criticize

A recommendation submitted to Mr Heath by the East Midlands Area of the Conservative Party that the structure of the National Union of the party needs urgent revision is being supported by at least three more of the 11 areas.

The general suggestion that changes should take place in the party's structure was initially made by the East Midlands Conservatives in a report now published though commissioned more than a year ago. It proposes that the party's national structure should be based on counties, not areas.

Its conclusion is that "the time has come for the party to face realities" is warmly applauded by some other of the area executive committees who

also feel that "the monolithic structure" contributed to failure to poll at full strength in this year's elections.

The review committee's special attention to concern the wastage of qualified party agents. "It would seem if the only long term answer would be to deploy agents on county basis."

If that recommendation was adopted, due regard would be paid to the necessity of employing full-time agents in marginal seats and scatter constituencies.

One scheme proposed would be the employment of separate agents in the margin or scattered seats, and of agents to look after more than one constituency.

HOME NEWS

Extra night patrols after fire that killed 18 old people

From Arthur Osman Nottingham

As Mrs Castle, Secretary of State for Social Services, confirmed in Nottingham yesterday the need for an independent inquiry into Sunday's fire disaster, the county council ordered extra staff for night patrols at five homes similar to the devastated Fairfield Home at Edwinton.

Mr Richard Wilson, leader of the council, said five single-story homes similar to Fairfield were lacking smoke detectors. It was hoped that detectors would be installed in a month's time. Until then night patrols would be on duty to give additional security at the homes in Walsop, Hucknall, Burton Joyce, Kimberley, and Mansfield.

"These precautions are being taken in homes where, until Sunday's disaster, we did not foresee that there was an unacceptable fire risk," he said. "We are therefore playing safe until more thorough inquiries have established what risk there is and the best way to combat it."

The council's policy committee will be recommended today to make available an extra £36,000 needed to carry out extra fire precaution work in several homes for the elderly.

Mr Ernest Lester, chairman of the council, at its routine meeting yesterday, paid tribute to Mr Alfred Richings, who lives opposite the home and to the assistant matron, Mrs Alice Johnson, and Mrs Jill Herbert, the night attendant. The council stood silent for a minute in memory of the 18 dead.

Mrs Castle had earlier met Mrs Herbert, who was close to tears as she showed the minister round the wrecked home. Mrs Castle talked with the matron and the surviving elderly residents from Fairfield, who have been accommodated at The Oaks home in Nottingham.

Later she said she would be consulting Mr Jenkins, the Home Secretary, on the terms of reference for an inquiry and its constitution. They would be made known as soon as possible. A decision would also be made on whether it should be held in public.

"One of the points I have discovered with the local authority is that they reject suggestions that there was an over-concentration of infirm old people in this particular home," the minister said.

An interdenominational memorial service will be held at St Giles's, West Bridgford, at 10.30 am on December 23.

Tighter controls urged for building plastics

By Pearce Wright Science Correspondent

Tighter control over the use of some plastic materials in buildings is suggested in a report, *Polymeric Materials in Fires*, produced by the Fire Research Station and the Building Regulations Professional Division of the Building Research Station.

It comments on anxiety prompted by incidents ranging from small domestic fires, where burning of foamed-plastic furniture reportedly intensifies after a fire, to the production of more smoke than traditional materials, as those at the Isle of Man, and at St Laurent du Pont, in France, where plastic materials were involved to a large extent together with other factors.

Because of the diffuse nature of the industries manufacturing and using polymeric materials, accurate figures of

the amount going into buildings each year are apparently impossible. The latest figures, for 1972, show 200,000 tonnes, of which 44,000 tonnes went into furniture. Analysis of the implication of specific materials in fires is obtained from the standard fire test report form K433. Although it is almost the only source from which information can be systematically gathered, the Fire Research Station report says the form is not suitable for collecting the necessary details about the involvement of specific materials in fires.

Available data indicate that in about a thousand fires, or 1 per cent of all those occurring in buildings, plastic materials are the first to ignite. In about another thousand fires plastic materials were used in the construction of the building, though those materials were not necessarily involved in the fire.

Cathedral choir to disband

Westminster Cathedral's professional choir is to be disbanded because of costs. The choristers will probably leave after next Easter Day's services.

The decision was made by the Westminster Diocesan Council of Administration. The seven men choristers are expected to receive notice today.

School strike plan

Leaders of striking teachers who kept almost a million Scottish children off school yesterday plan to intensify their action if pay recommendations expected by Friday are "inadequate". More strikes are planned this week.

Employers' chief calls for new leaders to allow industry to expand

By Our Labour Editor

Mr Martin Jukes, the engineering employers' leader, yesterday called for an unspecified "new leadership" for Britain. He predicted that if the Government continued on its present course there would be a statutory policy on incomes before Easter.

Mr Jukes, director general of the Engineering Employers' Federation, singled out Mr Foot, Secretary of State for Employment, for personal criticism. "I do not think for a moment he provides the leadership we need," he said. The forthcoming Employment Protection Bill, was "union-based and biased".

Making his valedictory address to industrial correspondents, Mr Jukes declined to be drawn on the politician or public figure he had in mind to run the country. Until we get firm leadership taking us in the direction which permits

industry to expand we have no hope. "It is possible to have such leadership, as indeed was shown in France when de Gaulle was in power. French examples are not my favourite ones but no one can deny the stability that France got for a long period."

Without the right kind of leadership the Government would be forced to resort to a statutory incomes policy before Easter, Mr Jukes said. He put the odds at 5-1 on.

Mr Jukes, who retires as director general in two months, said a luncheon in London of the labour and industrial correspondents' group: "There can be little doubt that if we continue on our present course we head for disaster. Recent legislation and counter-legislation by succeeding governments on industrial relations has caused disorder. Mr Jukes continued: "This disorder is not only at the level of the TUC and the CBI, but at the level of the unions and

'Buy ticket on board' service next month

By Arthur Reed Air Correspondent

British Airways is to introduce on January 12 the first scheduled shuttle service in Europe on which passengers will pay on board the aircraft and nobody will be left behind. It may extend the principle later to main centres throughout the Continent.

The shuttle service will be between London and Glasgow, on which British Airways carries 600,000 passengers a year. After January 12 there will be no need for any passenger to make an advance booking. Check-in time at the airport at either end will be reduced from the present 30 minutes to 10 minutes. Stewardesses will collect the £17 single fare on board, accepting cash, cheques, credit cards or government orders.

There will be no bar service or catering on the shuttle. British Airways promises travellers refreshments free of charge in the lounges before departure. It also guarantees that if there is a rush for any one flight, a second and even a third aircraft will be brought up.

The service will be operated by the Edinburgh, Belfast, Dublin, Brussels, Paris, Amsterdam, Düsseldorf and Frankfurt routes on which such services could be introduced within the next few years, Mr Roy Watts, chief executive of British Airways European division, said yesterday.

Nine Trident airliners will be used on the London to Glasgow service, with 13 departures from London and 12 from Glasgow each weekday. That will more than double the present aircraft capacity on the route.

Captain Richard Twomey, manager of British Airways' domestic trunk services, said that as soon as an airliner on the shuttle service was full it would leave the terminal for take-off. A second airliner on stand-by would then be brought up. "This is not a hopeful promise but a very practical proposition," Captain Twomey said. "We shall never turn anybody away."

Forceps left in man's body killed him

A pair of surgical forceps left in a man's abdomen after a hernia operation caused his death within six weeks, an inquest at Aberdeen, Mid Glamorgan, found yesterday. A verdict of accidental death was recorded.

The inquest into the death of Mr George Henry Thomas, aged 56, of Aman Court, Cwmaman, Aberdare, had been told that Aberdare General Hospital nurses found the forceps missing after the operation. But no one told the surgeon.

Mr Peter Jenkins, deputy coroner, said there was an assumption that the forceps seen on a dropped instrument rack were the missing pair. The assumption persisted despite the fact that the forceps were never found.

"Why the surgeon was not informed I cannot understand," he said. Dr William Reginald James, the pathologist who performed the post mortem examination, said the cause of death was intestinal obstruction due to herniation of the small intestine through part of the forceps.

'Retire early' plan to stop teacher unemployment

By Tim Devlin Education Correspondent

Teachers should be encouraged to retire early to prevent unemployment as a result of the falling birth rate, Mr Stanley Hewett, general secretary of the Association of Teachers in Colleges and Departments of Education, said yesterday.

He urged Mr Prentice, Secretary of State for Education and Science, to consider a four-point plan to prevent unemployment of teachers and its "catastrophic impact on recruitment, which is already very seriously depressed".

The plan involves compensation for teachers retiring early, a limit on the number allowed to re-enter teaching, extending the teacher-training course from

three years to four; and more in-service training courses. Mr Hewett told the association's council in London that because there had been a gross overestimate of the school population in the 1980s.

He said: "It is clear that a teacher supply policy for a school population of eight million is going to be very different from one designed for a school population of 9,700,000. You cannot 'lose' 1,700,000 school-children and pretend that things are much the same as they were."

The department must reform its policies by not later than Easter. The priority must be to secure employment for the trainees who are at college and who have been accepted for courses next September.

WEST EUROPE

Britain sees no threat to its North Sea oil from Community

From Roger Berthoud Brussels, Dec 17

The idea that Britain's EEC membership poses a threat to North Sea oil was heavily discounted by Mr Eric Varley, Secretary of State for Energy, in Brussels today.

After his first meeting with the EEC ministers of the Nine, Mr Varley said: "Providing it is accepted, as I think it is—at least it was not challenged today—that North Sea oil policy is under United Kingdom national control, I don't think there is a threat."

In a prepared statement, Mr Varley told today's meeting: "I am sure my colleagues will understand that our reserves of oil and gas in the North Sea must remain under our national control." Mr Varley thought it important that no one had challenged this remark. The Belgian Minister had emphasized his understanding.

Explaining the nature of the threat afterwards, Mr Varley said that at an earlier EEC council meeting there had been a suggestion for a policy of a common market in energy products. This, he said, could have implied a policy of maximum depletion (exploitation) of reserves. But Britain had to husband its North Sea resources, which represented only two per cent of known world oil reserves, and the Government did not plan to let its oil and gas in the North Sea be depleted. Oil was a finite product and it could not be replaced every year like French wheat.

The North Sea was not the dominant issue at today's meeting, which amounted to a business-like, but unambiguous, attempt to re-launch the EEC's ill-starred energy policy.

Other member states with energy resources also had worries. The Dutch wanted to make sure they would be able to sell their natural gas at adequate prices. The West Ger-

mans wanted assurances that if they invested heavily in their coal industry, that their coal would find a market even at high prices.

Less well-endowed partners, particularly the Italians, were afraid this might mean higher prices or Community subsidies.

The ministers did manage to approve various measures of conservation and diversification of supplies which could, if effectively implemented, reduce projected Community consumption by 15 per cent and cut dependence on external supplies from the 1973 level of 63 per cent to between 40 and 50 per cent by 1985.

But this was modest stuff compared with the oil-sharing pool and other arrangements of the Washington-backed energy consumers' group, now operating as the International Energy Agency (IEA).

Mr Varley emphasized the value which Britain attached to the work of the IEA, and insisted that EEC policy must be realistic and flexible. He pointed out that Britain was in a strong position to make a constructive contribution, not just because it had its own natural resources, but because it had deliberately maintained a strong coal industry and invested heavily in nuclear power. This already accounted for 10 per cent of all electricity supplies.

There are also more Britons now who believe that EEC membership is a "good thing". Over the past year or so the percentage has risen from 31 to 36. About the same number of Britons think that membership is a "bad thing" as a year ago (34 per cent in September, 1973, and 35 per cent in November, 1974).

On the delicate question of Britain's membership and how people in other EEC member states would react to a withdrawal, a mere 2 per cent of the French population and 8 per cent of the Dutch would think the effect "very serious". The Belgians appear to be most uninterested with a total of 78 per cent either not knowing or thinking it would not make much difference. The French, too, have a take it or leave it attitude among 68 per cent of their population.

While John Bull makes up his mind, only the Irish among his partners care much about his decision

British opinion swings towards EEC

From David Cross Brussels, Dec 17

The image of the European Community seems to be improving among the British public. But, as the day of decision for continued EEC membership approaches, most people in the six founder members of the Community appear not to care whether Britain stays in or pulls out.

These are two of the main findings of an opinion poll carried out by independent research organizations in the Nine and published by the European Commission in Brussels today. The survey, which was conducted between October 18 and November 22 this year, was based on the views of 9,000 people aged 15 and over.

The growing enthusiasm for the Community among Britons emerged most clearly from replies to the question: "If you were to be told tomorrow that (your country) was leaving the EEC, would you be very sorry about it, indifferent, or relieved?"

In both Britain and Ireland, the percentage of people expressing regret has risen by 11 per cent in the past year from 20 to 31 per cent and from 37 to 48 per cent respectively. In the case of Denmark, and the six original members, attitudes have remained fairly constant, particularly during the period between May and November this year.

There are also more Britons now who believe that EEC membership is a "good thing". Over the past year or so the percentage has risen from 31 to 36. About the same number of Britons think that membership is a "bad thing" as a year ago (34 per cent in September, 1973, and 35 per cent in November, 1974).

On the delicate question of Britain's membership and how people in other EEC member states would react to a withdrawal, a mere 2 per cent of the French population and 8

per cent of the Dutch would think the effect "very serious". The Belgians appear to be most uninterested with a total of 78 per cent either not knowing or thinking it would not make much difference. The French, too, have a take it or leave it attitude among 68 per cent of their population.

By contrast, many more of the Irish, Danes and particularly the Irish think that Britain's withdrawal from the Community would be "very serious". The figures in these countries are 18, 20 and 29 per cent respectively. The poll also analyses the various EEC problems which members of the public think are most serious at the present time. Nine out of 10 people throughout the Community thought a common fight against rising prices was "very important" or "important". Inflation generally was singled out as the most important problem confronting the Community, closely followed by the implementation of a common energy policy, environment, consumer protection and a common foreign policy in discussions with the United States and the Soviet Union.

Asked whether combined action by the Community or independent action by individual member governments would achieve the best results, about seven out of 10 people were in favour of joint action to deal with four major problems—policy on energy supplies, the fight against inflation, dealings with the superpowers and the fight against pollution.

The results of the poll were as follows, all figures being in percentages:

| If Britain decided to leave the European Community, what do you think the effect of this would be? | | | | | | | | | | | | |
|--|----|----|----|----|----|-----|----|----|----|-----|--|--|
| | B | D | WG | F | GB | Ire | I | L | N | EEC | | |
| Very serious | 4 | 20 | 6 | 2 | 18 | 29 | 7 | 5 | 8 | 9 | | |
| Rather serious | 14 | 23 | 32 | 20 | 25 | 34 | 32 | 17 | 29 | 28 | | |
| Rather good | 3 | 13 | 8 | 14 | 9 | 3 | 3 | 17 | 9 | 9 | | |
| Very good | 3 | 9 | 3 | 2 | 11 | 8 | 1 | 4 | 3 | 4 | | |
| Of no particular effect | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | |
| Don't know | 45 | 26 | 26 | 49 | 20 | 32 | 37 | 31 | 32 | 32 | | |

Generally speaking, do you think that (your country's) membership of the Community is a good thing, a bad thing or neither good nor bad?

| The Six Ireland Denmark Britain | | | | | | | | | | | | |
|---------------------------------|-----------|----------|----------|-----------|----------|----------|-----------|----------|----------|-----------|----------|----------|
| | Sept 1973 | May 1974 | Nov 1973 | Sept 1974 | May 1974 | Nov 1973 | Sept 1974 | May 1974 | Nov 1973 | Sept 1974 | May 1974 | Nov 1973 |
| Good | 63 | 67 | 69 | 56 | 43 | 50 | 42 | 35 | 30 | 31 | 33 | 36 |
| Bad | 4 | 6 | 15 | 25 | 24 | 30 | 31 | 35 | 34 | 39 | 36 | 35 |
| Neither | 19 | 18 | 17 | 19 | 22 | 19 | 24 | 25 | 22 | 19 | 20 | 20 |
| No reply | 14 | 9 | 8 | 8 | 8 | 4 | 9 | 10 | 7 | 13 | 9 | 9 |

If you were to be told tomorrow that (your country) was leaving the EEC would you be very sorry about it, indifferent or relieved?

| The Six Ireland Denmark Britain | | | | | | | | | | | | |
|---------------------------------|-----------|----------|----------|-----------|----------|----------|-----------|----------|----------|-----------|----------|----------|
| | Sept 1973 | May 1974 | Nov 1973 | Sept 1974 | May 1974 | Nov 1973 | Sept 1974 | May 1974 | Nov 1973 | Sept 1974 | May 1974 | Nov 1973 |
| Very sorry | 47 | 56 | 56 | 37 | 36 | 46 | 30 | 27 | 27 | 20 | 24 | 37 |
| Indifferent | 37 | 28 | 27 | 40 | 27 | 22 | 38 | 27 | 24 | 53 | 28 | 32 |
| Relieved | 2 | 4 | 4 | 17 | 28 | 6 | 28 | 31 | 35 | 37 | 40 | 32 |
| No reply | 14 | 14 | 13 | 6 | 7 | 2 | 15 | 14 | 10 | 8 | 9 | 9 |

Redundancy veto rejected

From Our Own Correspondent Brussels, Dec 17

The British Government, with the help of most of its partners in the European Community, today thwarted an ambitious Community idea to veto companies' plans to make workers redundant.

At a meeting of social affairs ministers of the Nine in Brussels today, the French, with the support of the European Commission, were in favour of this

stringent safeguard against mass dismissals.

The ministers were discussing new proposed Community laws to oblige firms to follow certain practices in notifying and compensating redundant workers.

According to British officials, Mr John Fraser, Under-Secretary at the Department of Employment, was opposed to the veto part of the proposed scheme, principally because of the difficulty of deciding who should pay for redundant workers to stay on.

French economy on right road for M Chirac

From Charles Hargrove Paris, Dec 17

M Chirac, the Prime Minister, used the debate on the opposition motion of censure to draw a reasonably optimistic picture of the prospects of the French economy. He particularly emphasized the spectacular results achieved by the Government in foreign trade. The deficit has fallen from 3,000m francs in July (about £300m) to 218m francs in October.

On the price front, the trend was also favourable. The average increase had in the past three months been reduced to just over 1 per cent. November and December should see it fall below 1 per cent, the objective the Government had set itself.

"What can we conclude from this stocktaking?" he asked. "That we have won our economic gamble? I think to claim this would be premature. That we have lost it? It would be false and dishonest to pretend it. An objective analysis of economic indices shows we are on the right road."

The Prime Minister added that in the first half of 1975 economic activity would cease to slow down, and production should show a moderate increase. He hinted that the Government might take steps to reflate then.

Former nun arrested in child cruelty case

From Our Own Correspondent Rome, Dec 17

Signorina Maria Diletra Agnelli, a former nun, who was sentenced to eight years and four months imprisonment for cruelty to sub-normal children under her care, in a home at Grouteferrata, was arrested today on the coast near Rome.

The case in which she was involved was one of the gravest instances of systematic cruelty to children in a home acknowledged by the ecclesiastical authorities. She was in provisional liberty while her appeal was heard and it had been feared that she might have fled the country.

Signorina Agnelli was discovered hiding at the home of a woman whom she met while in prison awaiting trial. She was found by carabinieri in a cupboard under a pile of blankets. She maintained during hearings of her case that far from being cruel, she was in fact a saint.

Inflation doubled in Belgium

Brussels, Dec 17.—Consumer prices in Belgium have risen an estimated 15.6 per cent this year compared with 7.3 per cent last year sources said today. The figure was provisional.—Reuter.

Pressure to revalue Swedish currency

From Our Correspondent Stockholm, Dec 17

The Swedish Government was under pressure today to adopt an incomes policy for the first time and eventually to revalue the currency.

Five leading economists, including Dr Gunnar Myrdal, the winner of this year's Nobel prize in economics, urged the Government to strive for a package deal to curb inflation by reducing pay claims and revaluing the krona. They also told the Government to borrow

petrodollars to cover the soaring balance of payments deficit.

Mr Trister Wickman, the governor of the Swedish central bank, said in an interview today that the Government was not considering revaluation. He added that *de facto* revaluation had already occurred. Since September the value of the krona has risen by 6 per cent against the dollar.

Leading banking sources in Stockholm said that Mr Gunnar Sträng, the Finance Minister, was under pressure to adopt an

incomes policy as part of a package deal involving a revaluation of the krona. There is on the other hand trade union pressure for pay rises of about 20 per cent.

It has been a rule in Sweden that the Government should not interfere with wage negotiations. But sources believe that international economic conditions, and prospects of a recession and mass unemployment next year, may force Mr Sträng to abandon that rule.



ICI wins the MacRobert Award, 1974

This year's MacRobert Award has been won by five men—T. J. P. Pearce, G. W. Bridger, P. Davies, J. T. Gallagher and D. Cornthwaite—inventors of the catalysts which enabled ICI Agricultural Division to introduce its high-efficiency, low-pressure process for the synthesis of methanol.

The Award is given for an outstanding innovation in engineering, physical technology or applied science which has enhanced national prestige and prosperity in the U.K.



Imperial Chemical Industries Limited

It is made annually by the Council of Engineering Institutions, on behalf of the MacRobert Trusts and consists of a gold medal and £25,000.

Methanol is an important intermediate in the chemical industry for the manufacture of building materials, paints, plastics and textiles. Of the twenty-nine plants designed and constructed throughout the world since 1966, twenty-three use ICI's new process.



Harrow boy on arson charge

A schoolboy appeared at Harrow Magistrates' Court yesterday, charged with setting fire to a Harrow School house on November 25.

The charge stated that Simon Rhodes, aged 17, did by fire damage The Grove and endanger the life of John Meakin and others. He was allowed bail to appear at the court on January 23.

Foreign Office facade stays

The Old Public Offices in Whitehall, the Foreign and Commonwealth Office, is to be part rebuilt. Mr for the Environment, told the Commons yesterday, that it had been decided to preserve the facades and many interiors.

A GREAT PLACE FOR BUSINESS

هكذا من الأصل



1974 has generally been a difficult year for Europe.

However, Europe is still a very big market. And, potentially, a good market for British business.

Rather than commit a direct investment in plant and equipment in Europe we expect that many companies will see that this market can be adequately served from Britain.

Of all the British Banks we're in the best position to make that equally true from a financial point of view.

As a shareholder in European Banks International (EBIC), we have a network of almost 9,000 bank branches throughout Europe to handle your business.

In addition we can provide you with information on foreign market conditions,

economic assessments, methods of payment, taxation and exchange control regulations and arrange commercial contacts for you.

For more detailed information on how to handle the financial side of your European business from Britain, speak to any Midland manager.



Midland Bank
International Division

هكذا من الاعمال

ALSO ON PAGE 8

PHOTIA TRADING

Marion Mould rides Camble and Dunlyane, and Eamonn Ferynough brings a matic. The Castles, a British side is completed by J. Pimbleton (Loughlinney and Pimbleton), and a new crew (Snaffles and Warwick (L), and Pritchard (Torchlight), and Pimbleton and Pimbleton (Hifi) and Raymond Howe (Bain and Early Daniel).

Although Harvey Smith, British Dublin champion and designer of the Dunhill Trophy, was rusticated as from yesterday for three months, two of horses he has owned are partnered with Trevor Banks. Harvest C and Speak Easy, will ride the young Irishman. Barry,

We've always maintained it takes two weeks to really enjoy Silk Cut. Some people don't agree.

In the past, we've always advised new Silk Cut smokers to try out our cigarette for at least a fortnight.

Two weeks, we felt, was about the time it took to appreciate its mild, yet satisfying taste.

(Particularly after some stronger cigarettes.)

We fight shy, however, of giving such advice now.

Since we've recently come across a number of our smokers who tend to disagree with it.



Iain Campbell, Glasgow.

Iain Campbell is, as is evident from his photograph, a keen gardener.

And as such appreciates that good things sometimes take a little time to blossom.

"I was quite prepared to spend a couple of weeks getting to like Silk Cut," he said. "In actual fact, it took just over a week."

Alfred Custance had much the same sort of experience.

"It didn't take me any time at all," he told us.



Barbara and Alfred Custance, Woodingdean, Sussex.

His wife, Barbara, also happens to be one of our smokers.

In fact, she was the person who introduced him to Silk Cut.

Though she did find the transition from her previous cigarette somewhat harder.

It having taken her a month.



Phillipa Hather, Manchester.

Phillipa Hather has smoked our cigarette for six months.

And like Iain and Alfred, found the change an easy one.

"It only took me one cigarette," she declared. "I enjoyed smoking Silk Cut straight away."

Albert Fisher, you will note, experienced a touch more trouble than that.

He spent a good three weeks smoking our cigarette before

he could really say he enjoyed it.



Albert Fisher, London.

But he agreed with Phillipa, Alfred, Barbara and Iain on one point at least:

That we should tell you it's worth acquiring a taste for Silk Cut.

Even if it does take more than a couple of weeks.

As you can see, we thought it better they tell you themselves.

Silk Cut. The mild cigarette.

THE SILK CUT RANGE: SILK CUT REGULAR, KING SIZE, NUMBER 1, NUMBER 3 AND EXTRA MILD.

LOW TAR As defined by H. M. Government

EVERY PACKET CARRIES A GOVERNMENT HEALTH WARNING

Why universities may be forced to lower their standards

● The Association of University Teachers, which has 27,000 members, meets in Bath today at a time when universities are more under threat from financial starvation and national ill-will than they have ever been before. Professor William Wallace, a pro-Vice-Chancellor of the University of Ulster, Coleraine, and this year's president of the association, argues that universities provide a vital service, which the nation cannot afford to do without.

Most British institutions are susceptible to caricature, and none more so than the universities. Respected old gentlemen in gowns and mortarboards arguing abstruse irrelevancies against a background of gothic towers; scruffy, long-haired undergraduates rampaging through glass and concrete administrative blocks: these are the stock-in-trade of the critics. Other institutions are equally vulnerable. The trade unions, for example, receive their share of abuse. But they can hit back and protect their interests in a way the universities cannot. If power workers strike, governments and the public heed to their demands. If universities reter under inflation, governments and the public admonish them and bid them do more with less. The possible decline of the universities carries an immediately obvious threat to the welfare of the nation.

The decline is not quite under way. The quinquennial settlement was less than reasonable, but some developments could be postponed and others slowed down. Supplementation for inflation was removed at the very moment that inflation started spiralling, but reserves could be run down and universities could go over to deficit financing. The University Grants Committee could throw in the small fund it had set aside to encourage innovation, and the Government could add a little more to compensate for having calculated too savage a non-supplementation cut. But with major deficits destined for the end of this academic year and crippling ones for the year after, real and rapid decline is horrifyingly near.

For several years now all universities have been searching out ways of saving money. Inflation apart, it has been very difficult in face of the increasing sophistication of both teaching and research and the rising expectations of both students and the public at large. No doubt more can be done through increased rationalization and greater co-operation, particularly where institutions are fairly close to one another. But there are limits, to go beyond which would destroy the comprehensive and corporate nature of individual universities.

The importance of the universities to the economy is frequently overlooked. An annual expenditure of more than £400m on staff, buildings and facilities carries greater significance when broken down to £4.5m for Sussex, £3.4m for Lancaster, or £2.3m for Stirling. The annual output of highly skilled manpower is now quite staggering, not far short of 60,000 with first degrees or of 15,000 with higher degrees. About 50 per cent of those with first degrees are in pure or applied science, including medicine, and about 60 per cent of those with higher degrees. Some of those with first degrees immediately go on for higher degrees, and some with either go abroad. But altogether about 9,000 enter engineering, chemicals and manufacturing industries in general, and about 1,000 enter commerce, banking and accountancy.

The welfare state and the public services also depend heavily upon the output of graduates. The 3,000 doctors and dentists already insufficient to meet the annual needs of the health service. Central government absorbs 1,000 graduates a year and local government 3,000. More than 1,000 take up legal practice, and more than 10,000 go into one level or another of education. Contrary to fashionable belief there is no shortage of good or potential applicants for university places. Despite the alternative opportunities offered by polytechnics and other institutions of higher education the number of students admitted this October has again increased on the previous year.

If some universities had to close down, the remainder would have difficulty maintaining the present level of output, let alone increasing it or going seriously into the field of continuing education. But it is doubtful whether any government would want to face the political consequences of closures, or could even contemplate them given the arguments and forces that would be ranged against them. If all the existing universities were given just enough supplementation to stay in business, it is equally certain that they could not cope with rising numbers, or indeed cope properly with what they are at present.

But the crux of the matter is that, unless the universities are restored to something like the comparative financial position they had before they were caught up in the scissors of government economy and accelerating inflation, they will have no alternative but to reduce the standard of the education they provide. Once all the economizing and redeploying has been done, there still needs to be substantial supplementation

—and reparation—if the technologists and economists, consultants and civil servants they turn out are not to be sub-standard and therefore damaging to the industrial and social fabric of Britain.

The importance of university research is also underrated. About one-eighth of the universities' recurrent expenditure is provided under grant or contract by outside bodies specifically for research. But that is only the tip of the iceberg. The whole system of university financing is based on the interdependence and inseparability of teaching and research, and academic staff spend upwards of a third of their time (much of it "out of hours") on research of one kind or another. Exploring the energy field and the research activity of the environment, and in the protection of the socially disadvantaged and the treatment of the socially sick.

All this is now in jeopardy. The fall in public funding is worsened by the reduced budgets of the research councils and the investment difficulties of many of the private trusts. It may be no loss if some of the more esoteric and much-criticized research projects go to the wall. But any serious decline in the research activity of British universities would not only lower the standard of their graduate output but would seriously impair the international competitiveness of the British economy and the quality of life of the British people.

No one would argue that there is perfection in the universities. Some of the caricatures are not caricatures at all. However, the universities are fully alive to the realities of Britain's domestic and international situation, and they are anxious to be able to make their contribution to retrieving it and to helping mankind at large. They are willing to make sensible economies. They are trying to improve themselves as, for example, the Nuffield investigation into innovation in higher education is already showing. But they cannot accept that their currency must be debased.

It is appropriate rather than unfortunate that the universities have no weapons other than reasoned inquiry and discussion. All they ask of the government and the public is reason in return. There is urgent need of informed debate and meaningful negotiation to enable the universities to do all that is required of them in teaching and research in the next crucial decade of reassessment and recovery.

William V. Wallace

© Times Newspaper Ltd, 1974

An economic tightrope for Labour

Ronald Butt



Mr. Foot: A wage freeze would mean his departure.

In its debate on the economy today, the House of Commons has to address itself to a very simple question. With the nation staggering near the brink of the worst economic crisis of the century, is Mr. Foot justified in his reliance on his search for Arab cooperation, and on the social contract and the recent public expenditure cuts at home, to pull the nation back to comparative safety? The Chancellor's direct and friendly approach to the Arabs may well pay off, for there is little support among America's allies for Dr. Kissinger's wish to wield a collective cudgel of consumer resistance against the oil producers.

Yet since the Chancellor came back from Saudi Arabia in an apparent mood of ebullience, the Government has almost seemed to be using his optimism as a justification for diverting attention from that part of Britain's inflationary problem that is generated at home—and it is the consequence of this attitude that the Commons have to scrutinize. Dare the Government rely in 1975 on the social contract; are there other things that should be done and, if so, why will the Government not do them?

The rationale of the Government's resistance to doing more starts from its assertion that our domestic problem is one of inflation, but not one of excess demand. It therefore insists that deflationary measures which would damage production are ruled out; that the wage increases must be kept within manageable limits by the social contract; and that so far, the social contract (the miners excepted) is not doing too badly even if it is not doing as well as might be hoped.

If, however, it is a question whether the social contract, even if it works as well as possible within the Government's definition of it, is an adequate policy. In this respect, Mr. Michael Foot's party political broadcast last week was illuminating. He said that he had to say this. The Government is prepared to concede extra high wages to deserving cases (the miners, the bakers and the nurses) but if everyone

gets (say) 30 per cent, the special advantage that these groups ought to have would be lost, prices would be pushed up all round, and a slump would be brought nearer.

Therefore, said Mr. Foot, the wages aspect of the social contract was vital, but the way in which he defined it was significant. He pointed out that there was no room for any increase (and he underlined the word in his text) in living standards. Wage settlements must be on the basis of keeping pace with the cost of living and no more, and also on the basis of making new wage settlements only every 12 months.

Yet even if the social contract works according to Mr. Foot's definition, it is surely a question whether, if it does sustain living standards it will be an adequate economic defence.

If wage increases enable people to sustain the same standard of living on the basis of rising important prices, the danger is that we shall continue to build external inflation into our own economic structure. On this analysis, it is arguable that wage settlements ought to be marginally below what is necessary to sustain the standard of living, with the result that people reduce their consumption, if inflation is to be checked. What's the answer to this, in justification of the present policy, is that it would of course be a correct analysis if import prices rose beyond a certain rate, but the hope is that the rise in raw materials will begin to ease off and that the oil producers will be reasonable. Given no great worsening of the external position, the argument runs, a social contract that keeps wages in line with the rise in the cost of living should be enough to counter inflation gradually assuming an annual productivity increase of between 2 and 3 per cent. This should give producers an annual 2 or 3 per cent improvement in their unit costs which, if passed on to consumers, would ease the gradual creep of inflation over a period of time.

How long this would take, of course, a key question and the answer depends on various

uncertain factors such as import prices and the development of wage settlements over the next year—but even the optimists concede that 1975 will be a bad and dangerous year.

Put like this, it hardly needs stressing how fragile a defence is the concept of a nicely balanced social contract on wages which seems to promise maintaining living standards—and this would be true even if the social contract worked as well as the Government hopes that it is not doing. In this situation, the economic mystic scenario which, at worst could culminate in a catastrophe based on a wages explosion in the middle of an industrial slump.

Bernard Levin

Wild imaginings that see a baby as a guerrilla

The most extraordinary thing about the remark that Dr. Bridget Rose Dugdale is reported to have made at the first sight of her newborn son—"He's going to be a guerrilla"—is that it is quite possible that it was not even said with conscious thought of its effect; "He's going to be a guerrilla" may actually have been the first thing she thought when she saw her child.

Cruelty has a human heart And *Jealousy a human face*. *Terror the human form divine*, and *Secrecy the human dress*. "And it is therefore not at all impossible that Dr. Dugdale, so far removed from the consciousness of her own inadequacy, so unable to see the nasty facility of her own life, so achingly devoid of any trace of a sense of humour, that all she could see in the infant was something as mad, bad and dangerous as she knew as herself. One would not expect Dr. Dugdale to declare that her son was a little bundle of joy sent by the angels, nor that his tiny fingers and toes were as beautiful as fairies' footprints; nor would waste and expect her to announce his birth in the appropriate column of *The Times*. All the same, even for a woman whose most notable achievements to date have been to rob her own parents and then to terrify two gentle

people and steal their pictures, probably for no better reason than that in her poor, broken mind the people represented her parents and the pictures something as eternal and immutable as her beliefs are, she might have said, in a moment of vision, that her first-born would be something less than famous.

"He's going to be a guerrilla." No doubt Dr. Dugdale would dismiss with contempt anyone who found anything odd in such a response to the sight of her newborn child. The "reverberation" is all that matters, and for her I suppose, a baby is not, as it might be to other women who had just given birth, a creature who might take any one of a million paths through life, who might achieve fame or happiness or suffer pain or failure, but an empty vessel into which she will pour all her ignorance, all her desperate need to turn her self-hatred outwards, all her intolerance and dark desire to inflict pain, until the senses fuff off and it spills over into the same waste and folly as she has made of her own life. She thinks of herself as a guerrilla, though in truth she is nothing but a fool: so she thinks of her son as a guerrilla, though in truth he is nothing but a baby.

One might think that even a woman as confused as Dr. Dugdale would stop for a moment and think of her own birth and of her own parents.

It is not recorded what her mother's first words after giving birth were, though I think it is unlikely that they were "She's going to be a fascist-capitalist-imperialist-bandit", still, it is even more unlikely that they contained even a passing guess at what she did in the end become. No doubt, human nature being what it is, Dr. Dugdale's mother hoped that her daughter would grow up to be a credit to her parents; no doubt it did not cross her mind that the child would grow up to be a violent terrorist in a rotten cause. Is it not possible, then, that Dr. Dugdale's son may grow up to be something less than a credit to his parents, but that he might, while loving his mother no less than her parents still clearly love her, confound her hopes by becoming, say, a stockbroker, an army officer, or a poet? She will, of course, do her best to inculcate him with the best and grubbly values by which she lives; but then, her parents did their best to imbue her with the spirit of the straight and honourable values by which they lived, and although of course she would reverse those pairs of adjectives, doing so might not, in itself, be quite enough to ensure that her proud boast—"He's going to be a guerrilla"—is fulfilled.

Feeling sorry for Dr. Dugdale, which I do and which I hope you person of sensibility will, I am presuming something that would make her much angrier than hatred and denunciation. However just a prison sentence may be, and however impossible it may be to have people like that walking about free to be a menace to everybody else, the sheer horror of locking human beings up in a cage whatever they have done, still comes into any contemplation of crime and punishment. How much more, then, must one feel sorry for Dr. Dugdale. In the first place, she committed her crimes because her poor, soft, impressionable head has been so crammed with crazy rubbish by her lover and her own psychological problems that everything else was pushed out of it. And in the second place, of course, she has given birth to a child in prison, and since it is inconceivable that the Irish authorities will allow the child to grow up in prison, there will come a parting which for her will be doubly bitter in that it will not only be the parting of a mother from her child but will inevitably torment her with the conviction that he will be

taught to hate her rubbish cause. I hope myself that it will not need to be taught that I hope that he will conclude when he is old enough to think about such things, that a cause which leads to such ugly behaviour as his mother was involved in must be a cause to shun, though I hope he does not go on from that conclusion to shun his mother, too.

It may be, of course, that I will grow up to be a credit her in a sense different from that which she would understand, and instead of being guerrilla will be the instrument of rescuing her from the mental morass in which she wallows; perhaps he will, through example if not through argument, show her, in the more literal sense of the old word, the error of her ways. Perhaps yet the only thing which can be certain is that anyone who will undertake to say of a newborn child will become is likely to be founded; there is no reason suppose that Dr. Dugdale any exception to that proposition, and therefore, though he may indeed turn out as she hopes, is much more likely not to. "He's going to be a guerrilla," is he? Has Dugdale thought of the ultimate horror, the possibility that he might be a priest?

© Times Newspaper Ltd, 1974

'Ore te kimaasai aisidai ankaini oleng'



TO US A CO-WIFE IS SOMETHING VERY GOOD

In Granada Television's *Disappearing World* series, the people speak for themselves. Sub-titles explain the meaning of what the men and women of the tribal societies are saying, but viewers have the pleasure of hearing the way they say it. A simple technique, but one which shows that the human voice can be as important as words in communicating beliefs and ideas.

Here is what some of the critics have said:

'Granada's *Disappearing World* is going a long way towards rehabilitating the image of "savages", partly because of the quality of anthropological reports on the lines of *The Masai*, and partly because the simple expedient of using sub-titles gives us direct access to the timbre of their language'. *Sunday Times* (Peter Lennon)

'... the excellent *Disappearing World* has by now led us to expect the bonus of talk, with sub-titles'. *The Observer* (Clive James)

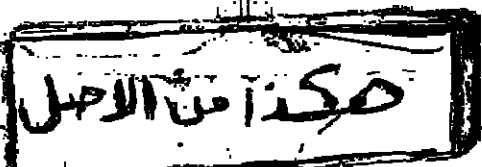
'... I can't remember seeing a documentary that got so well beyond the superficial to reveal the living sinews of a fascinating way of life'. *Daily Express* (James Murray)

'This was an unusually clear and vivid picture of life in a tribal society based on intimate knowledge'. *Daily Telegraph* (Selvia Clayton)

'Shutting your eyes, you can still see flying bodies, naked but for the shine of oil or the pattern of paint. Women laughing over their shoulders, children collapsing with giggles, families talking together in their hammocks in the evening while the clouds turned puffed and pearly... Games, games. Regardless of their doom the little victims play. Though, it seems, the men at least know that a highway is to be driven within a mile of their village in a year or two, and when it comes they are finished. All Granada can do and is doing is to preserve them in amber'. *The Guardian* (Nancy Banks-Smith)

The final programme in the current *Disappearing World* series—*The Sakundai*—is on Independent Television tonight at 9 o'clock

GRANADA TELEVISION



The Times Diary

Going hungry to help the starving

week. The Reverend Subir Biswas, dean of Calcutta Cathedral and director of their relief mission, said: "You have to feel it before you can do anything. Anyone who has given up a major meal a day feels it. We do it here at the cathedral to remind ourselves what it feels like."

Christian Aid, in Britain, say they are not going to make their major launch of the Frugality Campaign until after Christmas.

Not serious

There was a nasty scene at the Albert Hall on Monday night during a concert of Greek music in aid of Cyprus refugees. Ian Hendry, the actor, left the stage to some jeers and booing after a confused 20-minute performance of readings and jokes which offended many of the 3,000 people in the audience.

Hendry had not been scheduled to appear in the programme. He did so at the last minute suggestion of Stavros Xarchakos, the Greek conductor. Xarchakos wrote the music for the recent television series, *The Lotus Eaters*, in which Hendry played an alcoholic living in Crete.

It was Hendry's light-hearted approach which first alienated the audience, among whom were the Cyprus High Commissioner and Greek Ambassadors. He began with a joke

about "when I was a little girl..."

George Lanitis, the press secretary at the Cyprus High Commissioner and vice-chairman of the Anglo-Cypriot Society, said yesterday: "People went there to pay homage to the refugees. It was a serious affair and he wasn't serious. As far as we were concerned it was rather unfortunate that he was there."

Hendry came on stage and sat on a high stool. According to one member of the audience he "rambled in an incoherent way about his early experiences at the Albert Hall". This is when the heckling started. "Hendry, you're boring us", one man shouted.

Then he read a poem by a young refugee and further angered some spectators by appearing to be dismissive about it. He followed this with what he described as a poetic composition of his own, which some Greeks and Cypriots found incomprehensible.

There were further jeers and groans at this point. "Get off, some people shouted."

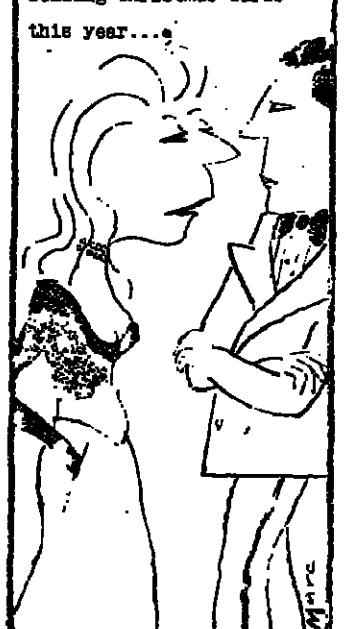
W. B. Whitworth of Much Hadham spotted this novel gift idea in the Christmas gift guide in *The Times* last Saturday: "Girl to join ski party."

Uncharitable

Sales of charity Christmas cards in London have dropped by some 25 per cent this year. Part of the shortfall is probably due to the failure of the Charity Christmas Card Council—which represents 105 charities—to open its outlets on time. The opening of four of the seven outlets was delayed by at least a week and takings are down by £20,000.

One factor in the failure to open the outlets on time was apparently a disagreement among council members about suitable sites. Each year, sites are lent to the council by business firms.

"This year we're not even announcing that we're not sending Christmas cards this year..."



Last year the council began selling cards in London on October 8 and between then and December 7 did £79,000-worth of business. This year it began on October 14 and between then and December 7 did £60,430-worth of business.

Rude, nasty

The Bear Gardens Museum in Southwark has a Christmas show appropriate to its antecedents if not to the good will of the season. *A Very Rude and Nasty Pleasure* takes its title from Pepsy and is an exhibition devoted to the history of fighting dogs, and of bull and bear baiting—ferocious sports for which the Southwark Bear Garden was a popular centre from Tudor times.

Countess Staffordshire Bull Terrier Society, and dead dogs several ugly and pugnacious breeds play a prominent part. There is also a stuffed dog which looks as if it had been baited with mothballs.

A tribute to the British bulldog, *Canis Pugnax*, says it breed is magnificent, ancient, rare, much admired and misunderstood. "The bold, and most resolute of animals, there is nothing a good build will not attack... with man, less courage he will give up on with life itself." Sadly, says the exhibit, the bulldog is fast becoming degenerate abroad.

Sporting

When is a festival an arts festival? Local authorities have different ideas on the subject. Here is a list of the Arts Council's local spending on the arts and museums.

"Despite reluctantly exchanging primarily stomach-orientated feasts, it may be that some of the figures listed include more spent on oxen (for roasting) and pigs (for bowling) for other ingredients in the gastronomic arts," says the report. Contributions to Christmas street lighting were made by the Arts Council, the English Folk Dance and Song Society are included, although, by so quick in our cultural history this body is grant-aided by the Sports Council, not the Arts Council.

I am sorry that I diagnosed Lord Olivier's illness wrong, yesterday. He is suffering from muscular inflammation! I expect that, like the rest of us, he is suffering from inflammation also. Get well, Joe!

Raymond Fletcher's well-known will appear on this page tomorrow.



link with the past! I knew about minutes when I was a girl. So let's enjoy the time while we can understand it, before in the sacred name of progress we move into microminutes and millinutes.

Yours faithfully,

DOROTHEA JONES,
53 Kingsway, Boston, Mass.

A child's guide to the season's entertainments

Young people who live in the London area can meet Old Masters this Christmas, learn how stars pulsate, work their way through the Bodybox or find out how a surgeon spends his day—all by courtesy of some of the great national institutions which let down their hair at this time of year.

Both in and out of London there are all the usual Christmas shows and exhibitions. Details can be found in local papers but here is a selection:

Christmas shows

Cockpit Theatre: *Humbug*, adapted from *A Christmas Carol*, December 30-January 4; *Simbad*, Paul Hansard's Puppets, December 26-28—both matinees only.

Inter-Action: *The Last Straw*, with live animals and live musicians, an "environmental barnyard entertainment"; Boxing Day until January 5, Almost Free Theatre—matinees.

Jack and the Beanstalk, Unicorn Theatre for Young People, until January 19—matinees.

Dr Who and the Daleks, Adelphi Theatre, from December 16, daily at 3 and 7.30.

Give a Dog a Bone, Westminster Theatre, daily 2.30, Friday 7.30, Saturday 6.30.

Sooty's Christmas Show, Mayfair Theatre, December 16-January 4—matinees.

Toad of Toad Hall, Haymarket Theatre, December 23 to January 18—matinees.

Winnie-the-Pooh, Phoenix Theatre, December 14-January 11—matinees.

Wonderful Wombles, Shaftesbury Theatre, December 16-January 18—matinees.

Peter Pan, London Coliseum, December 18-January 8—matinees and evenings.

National Film Theatre, Junior NFT: December 21, *Dougal and the Blue Cat*; December 28, *The Court Jester*; January 4, *Louisiana Story*—all matinees.

Babes in the Wood, Ashcroft, Croydon, December 20-January 25.

Lectures, exhibitions

National Gallery: *School's Out!*; meet the Old Masters; new out of school activities for eight to 14-year-olds, from December 12 to January 17; three times daily Tuesday to Saturday, twice on Sunday.

British Museum: Talks, films and activities, December 27 to January 4, 10.30 and 2 daily for 10-15-year-olds; eskimos and aborigines are among subjects at the Museum of Mankind, 10.30 and 2.

Masters medical: Royal College of Surgeons holiday lectures—*The Romance of Surgery—Cutting for the Stone*, December 20; *Cell-Watching or Indoor Ornithology*, December 23; *A Surgeon's Day*, December 31—all at 3 (tea served at 4).

Royal College of Physicians: *Men of the Arabian Desert*, December 19; *Sport, Physical Activity and Health* (Dr Roger Bannister), January 2, both at 3 (also with tea).

Royal Society of Medicine: *The Making of a Mental Hospital*, December 30; *X-rays in Man, Beast and Mummy*, December 31; *Organ Grafting* (Professor Roy Calne), January 2, all at 2.30, tea about 4.

Institution of Structural Engineers: *What Ever Happened to the Motor Car?*, January 3, 2.30.

London Museum, holiday lecture, *The Sleeping Beauty*, Victorian pantomime (children over seven), December 31, January 2 and 3, at 2.30.

Institution of Civil Engineers: *Foundations for the World's Longest Span—Humber Bridge*, December 31; *Discovery and Development of North Sea Oil*, January 2, both at 2.30; films on January 3 at 2.30.

Royal Society of Arts: *The Trumpet Through the Ages* (Philip Jones), December 20, 2.30; *The World of Percussion* (James Blades), December 30, 2.30 (both followed by tea).

Victoria and Albert Museum, *Bodybox*, children's exhibition and workshop, until January 26, usual hours.

Institute of Contemporary Arts: *Abra-dabra*, live clowns, hand puppets, etc, December 28 at 11.30, December 30 and 31 at 3. Entry 25p.

Tate Gallery: *Top Ten*, famous paintings, December 31; *Age of Pop*, January 2; both at 2.

Science Museum: *Pulsating and Exploding Stars*, December 28, 30 and 31.

Horwman Museum, Forest Hill: *Growing up in the Sun*, Northern Nigerian life, toys and games, December 27, at 3 (eight to 13 year olds).

Tickets are available for many of the lectures and exhibitions, for some you just walk in; inquire from the secretaries, numbers and addresses in telephone directory.

Out of London

Glasgow's events include a pantomime with a local title, *Mother McGlasgow*, now on, and *Jack and the Beanstalk* at the Citizens'. Not forgetting *Robinson Crusoe at the King's*.

Manchester's fare is mainly pantomimes and shows, and Liverpool's Everyman Theatre is running *The Cambril Tales* for secondary schools from Boxing Day.

Vanload, the touring company, is doing a show called *Sweetie Pie* for secondary schools, free, and teachers should contact them for dates.

Liverpool's International Library, next to the Walker Art Gallery, has *Chosen for Children*, an exhibition of very old comics (no, not the live variety), dating from 1600. This lasts until December 28.

Kenneth Gosling

Katie Stewart Meals between meals for Christmas



David Frankland

In-between meals at Christmas need not be substantial. A steaming bowl of minestrone soup, or hot bacon sandwiches with a salad are the kind of foods that will be most appreciated. Plan suppers that are quick to prepare and easy to serve.

Make a dish of eggs as the Swiss do. Spread 2oz butter thickly over the bottom and sides of a wide shallow casserole or fireproof gratin dish. Cover the butter with very thin slices of cheese and on top crack six eggs. Season with salt and pepper, then pour over $\frac{1}{2}$ pint single cream and finally sprinkle with 2oz grated cheese. Bake for 10 minutes in a quick oven (400 deg F or gas no 6) to cook the eggs and then give the dish half a minute under a hot grill to crisp the top. In individual gratin dishes you can make this for one or two—allow about 1½ tablespoons cream per egg. Serve from the dish with hot buttered toast.

You can put your frying pan to work and make scrambled egg for everyone. It is more sensible to use a frying pan when making a larger amount. To make scrambled egg really appetizing use a good fat and do not stir all the time so that the mixture is broken up. Wait until the mixture begins to set at the bottom and sides of the pan and then draw the spoon through the mixture gently, so it piles up in soft creamy mounds. Prepare a basic recipe using 8 eggs, which is sufficient for 4 servings, along with $\frac{1}{2}$ pint creamy milk, 1 level teaspoon salt and some freshly milled pepper. Serve scrambled egg on hot buttered toast, in crisp hot vol-au-vent cases, or cheese pastry cases.

Scrambled egg with anchovy added is very nice. Allow one anchovy fillet per egg, chop finely and add to the beaten egg mixture, but go easy on the salt for seasoning. Or you might like to spice up the egg mixture with the addition of mustard and Worcestershire sauce.

Devilled scrambled egg

Serves 4
8 large eggs
 $\frac{1}{2}$ pint single cream
1 level teaspoon salt;
freshly milled pepper;
1 level teaspoon dry mustard;
 $\frac{1}{2}$ teaspoon Worcestershire sauce;
1½-2 oz butter

Crack the eggs into a mixing basin, add the cream, salt, a seasoning of pepper, the mustard and Worcestershire sauce. Whisk ingredients together and strain.

Heat the butter in a frying pan and pour in the egg mixture. Cook over gentle heat and as the mixture begins to set draw the thickened egg up in soft mounds with a spoon, allowing the uncooked mixture to run against the hot pan base. Draw off the heat while the eggs are still moist and serve with fried mushrooms or grilled bacon rolls.

A plain omelette can be made much more interesting if you give it a filling of fried leeks and bacon. For four servings you need about 1lb leeks which should be trimmed, washed and shredded and 1lb lean bacon rashers finely chopped. Add these to 2oz butter melted in a frying pan and season with salt and pepper. Stir and then cover with a lid. Cook over gentle heat for about 15-20 minutes by which time the bacon will be cooked and the leeks tender. Spoon a little into the centre of each omelette as you prepare it and before folding it over.

An open omelette with a savoury topping is the answer for two servings. This one with cheese, tomato and herbs tastes good and looks colourful. Serve it with crusty bread and a salad.

Pizza omelette

Serves 2
4 large eggs;
salt and freshly milled pepper;
1 tablespoon cold water;
2oz butter for frying
or the topping
1 oz butter

1 medium onion
2 teaspoons concentrated tomato purée
pinch mixed herbs
3-4 bacon rashers
2 oz grated cheese

Crack the eggs into a basin, add the seasoning and water. Mix with a fork and set aside while preparing the topping.

Melt the butter for the topping in a saucepan. Add the chopped onion, cover and cook gently for 4-5 minutes, or until the onion is tender. Add the tomato purée and mixed herbs, cook for a moment more and then draw off the heat. Trim and chop the bacon rashers. Fry in a dry pan until the fat runs and the bacon is cooked. Drain and reserve.

Place the butter for frying in an 8-9 inch heavy frying pan. When melted and bubbling pour in all the omelette mixture. Stir for a moment using the back of a fork and draw the omelette mixture in towards the centre of the pan so that the liquid egg runs underneath. When set underneath but still moist on top, draw the pan off the heat.

Spoon over the tomato and onion mixture. Top with the bacon and sprinkle with the grated cheese. Place the omelette under a hot grill just long enough for the cheese to melt. Slide out of the pan onto a hot dish and serve.

For a quick supper snack dip slices of bread—crusts removed—into seasoned beaten egg letting it soak well in. Then fry to a golden brown on both sides in hot butter and use as a base for grilled bacon rashers, anchovy fillets, sardines or grilled tomatoes. Hot newly made toasted sandwiches to eat with

a knife and fork can always be relied on to revive even the most jaded appetites. Toast the bread for hot sandwiches on one side only. Lightly butter the untoasted side and sandwich the slices together with the hot filling inside and the toasted sides outwards.

Use grilled bacon rashers to make hot bacon sandwiches or sandwich a fried egg and bacon between the toast slices.

For a toasted cheese sandwich, cover the untoasted side of one slice with cheese. Grill until melted and bubbling and then sandwich with the second slice. Or better still combine ham and cheese by placing a slice of ham on the untoasted side under the cheese before grilling. Then sandwich with the second slice.

A club sandwich needs three slices of toast with the middle slice toasted both sides. Spread untoasted side of the bottom slice with butter, then top with chicken or turkey, lettuce and mayonnaise. Cover with the middle slice of toast, the grilled bacon and sliced tomatoes and finally top with the remaining slice of toast, butter untoasted side inwards.

The classic combination of a hot vegetable with cold meat instantly cheers up slices of honey roast ham, cold chicken or turkey. Potatoes are just right now for baking in their jackets. Choose large even sized ones, scrub them and, while still damp, roll them in kitchen salt. Salt brings out the flavour and keeps the skins deliciously crisp during cooking.

With your frying pan you can make lots of crisp fried potatoes with onion and if you care to add chopped anchovy fillets just before serving they will have a really good flavour. Make your fried potatoes with blanched slices of raw potato and you will find them a great improvement on the left-over boiled potatoes so often used. Blanched raw potato slices are just as quick to cook and rarely break up on frying.

To serve four you will need about 1½lb potatoes. Pare and then cut them into ¼in thick slices. Blanch for five minutes only in boiling salted water, then drain. Fry them as you would normally, remembering that for crisp potatoes that are tender inside you should cook them over a fairly high heat. Use a mixture of butter for flavour and oil to get a good colour without burning. Any onions to be mixed with the potatoes should be fried separately for they require gentle cooking. Proportions are not important, one or two onion peeled and sliced are usually adequate. Add the cooked onion to the pan of potatoes just before serving and give the mixture a quick fry to heat everything through.

Savoury rice makes a marvelous hot dish too, but the mixture must be well spiced and with plenty of flavour. Try Spanish rice which is a mixture including onion, tomatoes, herbs, or make up a packet of the curry flavoured ready-to-cook rice to which you can add extra crunchiness with toaster flaked almonds.

At Christmas time especially good soups can be made with packet or condensed soups when you use turkey stock instead of water. Into a really large saucepan put the broken up carcass of the bird and any bones from the meat, any ham skin, bacon rinds or giblets. Add a large onion stuck with a clove, a large carrot scrubbed and halved, 1 stick celery, a small bay leaf and a few parsley stalks. Add cold water to cover and allow 1 level teaspoon of salt for every 2 pints of water. Bring to the boil for 2 minutes only skim carefully and reduce the heat to a simmer. Leave to cook for 3-4 hours, then strain carefully and use.

Any home-made stock make just the right base for minestrone—a soup which really does need the flavour of a good broth. This is a substantial mixture—almost a vegetable stew. If a lighter soup is required, either increase the amount of stock, or use fewer vegetables.

Minestrone

Serves 4-6
1 carrot
Small piece turnip
1 medium potato
1-2 stalks celery
1 onion

1oz butter or 2 tablespoons oil
1 clove garlic, optional
2-3 streaky bacon rashers
1½ pints stock
2 large tomatoes
1 small leek
1 cup shredded cabbage or sprouts

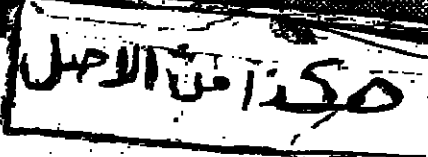
1 oz broken up spaghetti or quick cooking macaroni
grated cheese for serving

Peel and slice the carrot, cut up the turnip and potato into small dice. Wash and slice the celery thinly. Skin and chop the onion finely.

Heat the butter or oil gently and add these vegetables. Add the skinned, crushed and chopped garlic, if liked. Sauté for a few minutes, then add the trimmed chopped bacon and cook for a further 2-3 minutes.

Stir in the stock and season as required. If you use ham stock or bouillon cubes, remember they are rather salty. Simmer with the lid on for 20-30 minutes, until the vegetables are almost tender. Add the tomatoes, skinned, halved and chopped up, the leek finely sliced and the shredded cabbage or sprouts. Bring back to the boil and then add the spaghetti or macaroni. Boil gently with the lid off until the pasta is cooked—about 10 minutes. Check seasoning and serve with a bowl of grated cheese, preferably Parmesan.

It's got to be Gordon's.



BELL'S
SCOTCH WHISKY
Afore ye go

Adjusted for tax changes & Ex dividend & a
Preferred dividend & corrected price information
based on Price at suspension. A Dividend is
included, a special payment is Bid for 1996
Pre-merger figures. Forecasted Earnings per
share distribution. P/E ratios & Ex scrip or share
rec. & Price adj for late dealings. . . No. 17, 111.

Coal Board leasings not within guidelines

e many other ways in which
 d Chartered can help you. Give
 in London on 01-623 7500
 3-
 on ring our Manager at these
 021-236 7402
 e) 0272-293 639
 041-204 0505
 032-440731
 051-236 2425
 061-236 5457 Charlotte St,
 061-814 7244 Spring Gdns.

minute local information could
our overseas business.
e many other ways in which
d Chartered can help you. Give
in London on 01-623 7500
3.
don ring our Manager at these

021-236 7402
0272-293 639
041-204 0505
0532-446731
051-236 2425
061-236 5457 Charlotte St.
061-814 7244 Spring Gdns.

Chartered

World

Mr Simon against excessive stimulus for American economy

From Frank Vogl Washington, Dec 17

Mr William Simon, the United States Secretary of the Treasury, today came out against tax cuts to stimulate the economy and told the Senate's budget committee that "if we turn again to excessive economic stimulus, in an attempt to escape the consequences of our past indulgences, we will only be presented with a larger bill later on."

Mr Simon recently admitted that a tax cut is under consideration by the Administration, but he clearly attempted today to dampen speculation on this.

He said in his testimony that there is a serious danger of overstimulating the economy, that can only produce another round of inflation.

The Treasury Secretary also gave a warning against neglecting inflation at this time of recession. His comments come just as there are increasing indications in the money markets that the Federal Reserve is easing policies again and that the Fed is lowering its Fed funds target rate by around 0.5 per cent to around 8.5 per cent.

President Ford's chief economic policy advisers are now

hard at work devising strategies to stimulate the economy and an increasing number of economists believe that the advisers will come out in favour of tax reductions.

The respected Argus Research Corporation states in its latest report that "a tax cut is coming" and the economists at the First National City Bank appear to take this for granted in their latest budget estimates.

Belief that the President will abandon the policies of the "old time religion" of fiscal monetary restraint is based on the now prevailing view that the recession will be deeper, longer and more pervasive than was expected.

The latest economic report by Citibank forecasts a current fiscal year Federal budget deficit of \$20,000m and adds that the deficit may be even larger for fiscal 1976, which starts next July 1, because of tax cuts.

A big worry for Administration officials now is the rising level of bankruptcies. President Ford has shown particular concern about this in recent days and it appears to be one factor that many experts believe will change the President's mind on tax cuts.

UK facing 'relegation battle'

By Malcolm Brown

Britain is facing a "relegation" battle, Mr Ralph Bateman, president of the Confederation of British Industry, said yesterday.

"Somehow we must bring the fierce national and local pride and competitiveness which we see on the sports field into the factories of Britain", he said.

Mr Bateman, who was speaking at an American Chamber of Commerce lunch in London, suggested that an agreed incomes policy was an essential feature of any recovery programme.

Industry had to be just as competitive as any football team to stay on top and as the country was facing a relegation battle it was up to everyone to give their fullest support and encouragement at this difficult time.

"Our economic future relative to that of our competitors will depend upon our own behaviour and decisions", Mr Bateman said.

Oil puts 3.5m lire on Italy's deficit

From John Earle Rome, Dec 17

Italy's balance of payments deficit will at the end of the year surpass 5,000,000m lire (about £3,000m), of which 3,500,000m lire is because of the higher cost of petroleum, Signor Emilio Colombo, the Treasury Minister, told the Chamber of Deputies in a debate on the economic situation.

Indicating that measures may have to be taken to reduce inessential imports, he said that the government's objective was to eliminate the non-oil deficit next year, leaving an oil deficit for 1975 of 3,200,000 to 3,500,000m lire.

Italy, he said, would have to seek further foreign credits next year. At the end of this year, foreign indebtedness would reach the level of 9,000,000m lire, requiring annual interest payments up to 1978 of some 900,000m lire.

Signor Giulio Andreotti, the Budget Minister, said that the economic situation was of unprecedented gravity.

Report says promote more women in retail trade

By Christopher Thomas

The retail trade should make better use of its staff by employing more female shop managers and by developing managerial talent from the shop floor, recommends a Nedd report on career development in retail distribution published today.

The report concentrates mainly on the job of the shop manager. The job, says the report, has in recent years become more concerned with management and the operation and control of systems laid down by head office, and less concerned with customer contact and detailed knowledge of merchandise.

Recommendations in the report, carried out because of concern over the shortage of competent shop managers, include a strengthening of ties between the branches and head office in terms of personnel management, career training and better selection procedures.

Chemical plants ahead in productivity

New figures released today from the Census of Production show that the chemicals industry is still ahead of other manufacturing in productivity. The net output per head increased from £9,981 to £10,026 compared with the average over the same period for manufacturing, which was £2,283 in 1970 and £3,476 in 1973.

Over the three years, the chemicals industry shed around 25,000 workers, and now operates with a labour force of about 400,000, including working proprietors.

Yarn output drops

Marked falls in single yarn production, but increased output of woven cloth in October compared with earlier periods, are reported by the Textile Statistics Bureau. The organization said that during the month, the industry had been severely affected by short-time working and temporary closure of some mills.

Japan keeps credit grip

Mr Teichiro Morinaga, the Bank of Japan's new governor, said the bank will continue its tight money policy, because recession in Japan is still milder than in the West.

German monetary aims

A gradual continuation of the downward trend of interest rates in West Germany is preferable to a forced reduction, which might bring about a reaction on the capital market, the German federal bank said in its monthly report yesterday.

Government talks on N Sea taxes 'nowhere near completion'

By Christopher Thomas

It now seems unlikely that the Government will reach a decision for many weeks about the rate or structure of the proposed taxation of North Sea oil.

Mr Dell, Paymaster-General, told the Commons committee considering the Oil Taxation Bill yesterday: "There have been suggestions that the Government has decided the rate of tax. Nothing could be further from the truth."

"We are nowhere near completion of our discussions with the industry. An enormous amount of evidence has been submitted which will take some weeks at least to analyse."

"I find the consultations of enormous value. I hope they give the industry some confidence that the Government does not intend to adopt policies that will drive them out of the North Sea. It is only by mutual co-operation that the riches of the North Sea can be yielded for our benefit."

His first meeting with the oil companies was on November 19, and since then he had daily been receiving evidence, calculations and comments.

Mr Dell said some oil companies were putting pressure on him not to introduce a variable rate of tax, but a fixed rate. If there was a fixed rate, ways would have to be found of dealing with marginal oil fields.

Mr Patrick Jenkin, Opposition spokesman on energy, urged the Government not to rule out different structures for taxing oil.

Morocco takes 50 per cent BP stake: The Moroccan government announced in Rabat that it had taken more than 50 per cent of the capital of the British Petroleum Company in Morocco.

Staff shortage may hit offshore industry

By Business News Staff

Manpower and training needs of the offshore oil and gas industries must be regularly monitored by the Manpower Services Commission, says a report published yesterday.

The report makes it clear that the short-term and long-term implications of offshore development for labour may be complicated.

The report, commissioned by the MSC, says that in the next few years the offshore oil and gas industries face labour shortages. There are, states the report, immediate and continuing shortages of geologists, petroleum engineers, drillers and divers.

There would be important manpower implications if there was a switch from steel-jacket platforms to concrete and hybrid structures.

To place the demand and supply of labour into context the report examines the competing demands being made for the skills which will be required for onshore work.

The main overlaps with steel-jacket and equipment skills are the shipbuilding industry and mechanical and electrical engineering construction.

*The Discovery of Offshore Oil and Gas: Manpower Implications. (Manpower Services Commission.)

Brussels studies Roche market

Brussels, Dec 17.—The EEC Commission said in reply to a written question that it was still investigating the Hoffmann-La Roche pharmaceutical group's alleged monopoly in supplying Librium and Valium tranquilizers.

The Commission, which has wide powers to ensure fair competition in the EEC, said that, on the wider question of tranquillizers, it was examining the findings of market definition studies in order to determine the Hoffmann-La Roche group's share of the market.—Reuter.

BMW complies with EEC rules

Brussels, Dec 17.—Bayerische Motorenwerke has modified the conditions of its contracts with distributors to bring them in line with European Community free competition rules after intervention by the EEC commission, the Commission said.

It said the new form of contract between BMW and its distributors, giving them, among other things, the right to export BMW cars and spares, has now been approved by the EEC authorities.

The Commission said that it accepted BMW's argument that its system of selective distributors was justified.—Reuter.

Nippon Electric cut

Nippon Electric Company (NEC) states that it asked about 300 sub-contractors and factories in its group to help free competition by 20 per cent to the 1972 level. This is because of a fall in domestic demand.

Penguin Books

Penguin Books plans to publish 450 new titles a year over the next three years—not 450 titles in the three-year period, as incorrectly stated in yesterday's Business News.

LETTERS TO THE EDITOR

Poor need heating subsidies

From Mrs M. J. Watson

Sir, The decision to lift the subsidies from the gas and electricity industries, while making economic sense, will bear heavily on persons on fixed incomes. This section of the community, consisting, among others, of single parent families, the elderly poor, women who stay at home to care for aged parents, and those in receipt of tiny pensions for disabilities of various kinds, are already deprived and in many cases barely surviving.

His remedy is simple. Some years ago I objected to paying the then price, about £15 a ton for rainwater supplied by the gas company.

When the prices of their heating and lighting shoot up their efforts at economy could have disastrous consequences. No doubt in due course the heating allowances for which one can apply to the Social Security office will be increased. However, in my work at the Citizens Advice Bureau it is obvious that many people do not know about the allowances; many that do know would rather freeze than go and ask for them; and the allowances are totally inadequate anyway.

He should take about a couple of pounds of the wet coke weighed on the kitchen scale and put it in the oven Gas Mark 1 or 220 F for an hour or two and weigh it again. He might repeat to ensure that all the water was evaporated. This gives him a very exact percentage of water. In my case the same experiment showed me that coke stored under cover contained about 7 per cent moisture. My wet coke showed over 20 per cent moisture. I assumed generously that 10 per cent might be a reasonable figure for this, and a little very simple arithmetic told me how much I should deduct for the surplus rainwater. I deducted this amount from the bill and invited the gas company to sue me for the balance. Suppliers of coke or anything else will never face the court when they can so easily be shown to be in the wrong.

Therefore, would it not be better to reverse the present pricing system of gas and electricity (starting high and reducing the more one uses) which was formulated in those halcyon days when John Public was encouraged to use as much fuel as possible to a system whereby a certain number of units would be very cheap indeed, and after this to let the price rise very steeply? In this way the poor and the thrifty would be able to keep warm to a certain minimum standard; the rest of us would be encouraged by the size of our bills to carry out that insulation the powers that be now wish to encourage—and to be thrifty if we did not wish to be poor.

I am, Sir, Yours etc, KENNETH BROWN, 35 Shore Street, Anstruther, Fife.

From Mr J. W. Finch

Sir, In the words of Mr Bernard Levin, during the articles on his mother's gas geyser, the top brass of the gas industry must all read *The Times*.

May I ask them therefore, together with their opposite numbers in the electricity realm, why they see fit to spend our money on advertising their products and services in a variety of publications, and on Independent Television, at a time when we are exhorted to use less energy, and face savage price increases.

Mr Goodhart states "quite a number" of individuals between March 26 and Dec 9, which would be liable capital transfer tax. The fact that such a tax liability applies if the Finance Bill enacted as published appears to be a *prima facie* indication that the donors or donors concerned probably gave up permanent residence in the UK during the "rele time"—i.e. the time of the position.

Yours faithfully, J. W. FINCH, 91 Farnham Road, Guildford.

High cost of packaging

From Mr A. Fisher

Sir, The Price Commission survey published on November 29 makes timely reference to the high cost of packaging in supermarkets. This has always been a burden the consumer has had to bear but now with the scarcity of packaging materials and increasing inflation, the matter is becoming serious and something needs to be done about it.

Materials are harmful to the image our trade expects to provide, when the housewife's purchases are seen on the kitchen table.

ALAN FISHER, The Albert Fisher Group Ltd, Brun Street, Burnley, Lancashire.

My own field is in fresh fruit and vegetables. I can say that over many years my mode of low cost distribution has been audited and in recent years systems have been operated successfully which prove that these high costs now being passed on to the consumer are unnecessary. Mrs Shirley Williams and her department cannot turn a blind eye to this situation and it would appear to me that an investigation and report is needed.

VAT nil returns

From Rev C. G. Stables

Sir, Our local fruit and vegetable shop, selling nothing else, and so not liable to VAT, has just been told that a monthly "nil" return is not acceptable. Although the shop has been inspected by HM Customs officials, the proprietor has to complete every item on the forms, whatever the case, although it will be nil in every case.

Why does Parliament give such authority to minor officials to harass small traders in this way? Already one shop has stopped selling fruit and vegetables and others may soon follow suit. In a country district with few shops anyway this is a serious matter to the public, if not to officials.

Yours faithfully, C. G. STABLES, Framling, Easme Green, Framfield, Uckfield, Sussex.

Taxpayers ought to be grateful for Clause 40

From Mr Peter Harris

Sir, Mr William Goodhart, in letter (December 12), wrote too strongly.

As he correctly states, in the old estate duty rules, "property" outside the UK Kingdom made by non-domiciled individuals were exempt from estate duty if the died on the following day.

Under capital transfer precisely the same rule applied a transfer of value made in non-domiciled individual property outside the UK Kingdom does not attract a transfer tax.

The Chief Secretary to Treasury at no time gave indication or assurance amounting to grounds for assuming the Government was not reconsidering the definition of "domicile".

Any professional who has been asked to comment on the implications of transfers of property, on March 25, 1974, clearly have borne in mind the possibility of the definition of domicile for this purpose, changed.

Mr Goodhart states "quite a number" of individuals between March 26 and Dec 9, which would be liable capital transfer tax. The fact that such a tax liability applies if the Finance Bill enacted as published appears to be a *prima facie* indication that the donors or donors concerned probably gave up permanent residence in the UK during the "rele time"—i.e. the time of the position.

Mr Goodhart is presumably aware of the very great duties involved in establishing a change of domicile, and that there is a presumption of law against such a change. The taxpayers concerned should be grateful that Clause 4 of the Finance Bill makes the position for the future absolutely clear, and gives a start answer to the very difficult legal problems relating to change of domicile which otherwise have arisen in case of "quite a number" of individuals who have transfers of value since M 26, 1974.

Calculating α of motoring

From Mr W. P. Grant

Sir, The letter from Mr D (November 1) is a typical example of how motorists calculate their costs. It takes only petrol costs account and ignores the sums represented by depreciation, maintenance costs, insurance and taxation. Inclusive these items would give more realistic comparison public transport costs.

Yours faithfully, W. P. GRANT, 36 Cowdry Close, Leamington, Warwickshire.

The Central Manufacturing & Trading Group Limited

"Current trading ahead of last year"

reports Norman Hickman, the Chairman.

Extracts from the Chairman's Statement and the Report and Accounts for the year to 31 July 1974.

Trading Results

The year has not been an easy one with industry beset by a variety of problems such as the oil crisis, the miners' strike and the three-day week. However, in spite of these frustrations, further substantial progress, much of it achieved by internal expansion of existing companies, has been achieved. Turnover and profits are again a record with the pretax profit 85.7% ahead at £3,630,054. Earnings per share rose from 6.8p to 10.0p.

A final dividend of 10.26358p, coupled with an interim dividend already paid, makes 20.31358p for the year which is the maximum permitted. Shareholders will also be offered the opportunity of receiving shares in lieu of the final dividend.

Market conditions were generally buoyant throughout the year and the demand for the group's products was at a consistently high level.

Our success, based on high quality service and a wide range of products, entails carrying heavy stocks. Despite our record profits, funds generated were insufficient to sustain the business without recourse to extra borrowings.

With an increase in profits from £0.25m in 1967 to £3.63m in 1974 the group has shown considerable growth and has now emerged as one of the largest suppliers in the country of a large range of industrial products.

Review of Divisional Activities

Steel Stockholding & Metal Processing

Demand was at a very high level throughout the year and the division had the most successful year in its history with trading profits increasing 107.1%. Despite the difficulty of obtaining many types of steel, turnover increased substantially, and represents a considerable increase in tonnage sales. It is unlikely, however, that conditions during the current year will be as favourable. Ferrous scrap and metal processing experienced a year of booming demand with an explosion of prices. We expect further development and expansion in this sphere in the future.

Asbestos, Rubber, Plastics and Services

This division experienced buoyant demand, once again constrained by a shortage of vital materials. The order books are at a high level and prospects are sound. We have been appointed Fiat main dealer for their range of commercial vehicles in the industrial West of Scotland.

Light Engineering

Both sales of the division — up 29.6% — and profits — up 54.3% — show considerable improvement. The current order book is strong and the recruitment of skilled labour and material shortages are the main limiting factors.

Tubes, Fittings and Fabrications

Despite the shortages of certain types of steel tube and the problems of the three day week, output was maintained at a satisfactory level and the divisional results were highly satisfactory. Current trading is very buoyant and there is every prospect of continued expansion.

Drop Forgings and Castings

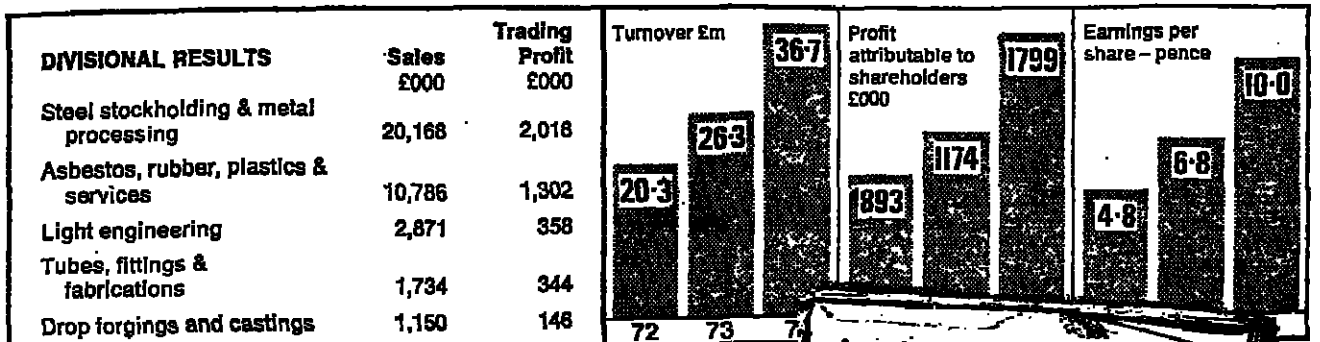
The year showed a good recovery in profitability but does not yet represent a fair return in relation to capital employed. Orders on hand are the highest ever reached and the growth potential can only be limited by material and labour shortages.

Prospects

Current trading is at a higher level than the same period last year, but there are so many uncertainties in the economic and political environment that it would be unwise, indeed almost impossible, to make any firm prediction about the current year. However, I believe we are better placed than most to overcome any difficulties and there is little doubt your company will realise better than average growth in sales and earnings.

GMT

Copies of the Report and Accounts are obtainable from the Secretary, 303 Halesowen Road, Netherton, Dudley, West Midlands DY2 9NR.



| less current liabilities | Earnings (Gross basis for 1965 and 1969) | Dividends p | Net asset Value |
|--------------------------|---|----------------|--------------------|
| 5,964,429 | 1.59 | 1.3125 | 314 |
| 8,983,318 | 1.61 | 1.3125 | 521 |
| 12,669,774 | 1.43 | 1.099 | 76 |
| 9,370,185 | 1.78 | 1.25 | 44 |

and Accounts can be obtained from the Secretary, at London Wall Buildings, London EC2M 5PH.

IMPERIAL CONTINENTAL GAS ASSOCIATION

Interim Statement

| Consolidated Results (unaudited) | Half Year to 30.9.74 | Half Year to 30.9.73 | Full Year to 31.3.74 |
|-------------------------------------|-------------------------|-------------------------|-------------------------|
| Turnover | £28,312 | £29,525 | £58,086 |
| Trading Profit | 3,739 | 3,160 | 10,538 |
| Depreciation | 2,509 | 1,900 | 4,238 |
| | 1,221 | 1,260 | 6,399 |
| Income from Investments | 122 | 114 | 4,547 |
| Interest (net) | (918) | (688) | (1,557) |
| Group Profit before Taxation | 425 | 686 | 9,388 |
| Taxation | 335 | 301 | 4,570 |
| Group Profit after Taxation | 99 | 385 | 4,818 |
| Minority interests | 21 | 36 | 95 |
| Profit attributable to I.C.G.A. | 69 | 349 | 4,324 |

The consolidated results are those of the Association and its subsidiaries including its Belgian subsidiaries.

Belgian subsidiary companies are not consolidated in accordance with the dispensations granted by the Department of Trade.

The taxation charges relating to the half year to 30th September, 1973 have been adjusted to take account of the increase in the U.K. Corporation Tax rate.

Interim Dividend

The Directors have declared an interim dividend for the year ending the 31st March, 1975 of 2.69p on £34,147,999 Ordinary Capital Stock costing £915,166; this is equivalent to a gross dividend of 4%. The dividend will be paid on the 2nd April, 1975 to stockholders on the register at the close of business on the 21st February, 1975 and compares with the gross interim dividend paid on the 2nd April, 1974 of 6% on £17,067,863 Ordinary Capital Stock which cost £716,850 net. The Capital of the Association was doubled as the result of a capitalisation issue during the year.

Notes

The Directors cannot emphasise too strongly that the results shown for the half year provide no guidance concerning the probable results for the year. Apart from income from General Investments, which is relatively insignificant, the Association's investment income is derived from dividends from Belgian companies, all of which are booked in the second half of the financial year. Present indications are that the Group share of earnings after tax of the Belgian subsidiary companies will, in terms of Belgian Francs, be appreciably greater than that for 1973/74.

Of the United Kingdom subsidiaries the Calor Group's turnover for the half year increased by 45% over that for the same period last year, but the level of trading profit rose by only 21%. This reflects mainly the effects of heavily increased material costs and of U.K. Government price controls. Income from Calor's newly expanded activities in the U.S. will now fall into the second half of the financial year due to delay in the maize harvest caused by drought. Rises in both depreciation charges and financing costs have accentuated the normal seasonal first half loss resulting in a pre-tax loss. However, the Directors expect that with normal winter conditions and barring a major economic disruption, the full year to March, 1975 will show an improvement over 1973/74.

The value of gas and liquids sold from the Hewlett Field by Century Power and Light Limited rose by 15% but trading profits before depreciation and financial charges increased by only 2% owing to cost escalations not yet reflected in sale prices.

The charge for taxation has been calculated at the provisional rate of 52% but certain losses of overseas subsidiaries in the first half year do not give rise to a corresponding tax offset. However, it is expected that these losses will be offset by profits arising in the second half of the year.

Under the present legislation the maximum total dividend payable for the year ending the 31st March, 1975 will be 6.85775p which is equivalent to a gross dividend of 10.2325%. Provided that circumstances do not change unduly your Directors intend to recommend the maximum permitted distribution.

As previously reported, negotiations have been taking place at the request of the Belgian Government for the rationalisation of the Belgian electricity industry and the Directors of the eight private enterprise companies engaged in the industry have now agreed in principle to regroup into three companies by the 30th June, 1975. Although the final terms have yet to be settled, the agreement in principle provides for the Association to have a major shareholding, but not a controlling shareholding, in an enlarged company engaged in production, transmission and distribution, which will result from the merger of certain other entities with Electrogaz.

BOC Profit Results

British Oxygen Year to 30th September 1974

| | 1974 | 1973 |
|--|---------|---------|
| Sales of BOC and its subsidiaries | £7,000 | £7,000 |
| Operating costs | 403,424 | 319,123 |
| | 338,335 | 262,806 |
| Depreciation | 65,089 | 56,317 |
| | 18,694 | 18,319 |
| | 45,395 | 37,998 |
| Add: BOC share of associated companies' profits | 7,779 | 891 |
| GROUP TRADING PROFIT | 53,174 | 38,889 |
| Europe | 21,788 | 18,128 |
| Africa | 8,745 | 8,845 |
| America | 9,302 | 1,452 |
| Asia | 2,226 | 1,976 |
| Pacific | 11,113 | 10,488 |
| Interest | 53,174 | 38,889 |
| | 18,539 | 10,511 |
| GROUP PROFIT BEFORE TAX | 34,635 | 28,378 |
| Tax | 17,444 | 18,938 |
| | 17,191 | 14,440 |
| Minorities | 3,664 | 3,058 |
| | 13,527 | 11,382 |
| Less: Extraordinary losses (profits) net after tax | 908 | (1,080) |
| AVAILABLE FOR DISPOSAL | 12,621 | 12,462 |
| Dividends—Preference | 86 | 95 |
| —Interim ordinary | 1,601 | 1,638 |
| —Proposed final | 2,855 | 2,848 |
| Profit retained | 4,602 | 4,582 |
| | 8,019 | 7,880 |
| | 12,621 | 12,462 |
| Earnings per 25p share (203,938,447 fully paid ordinary) | 6.59p | 5.55p |

A revaluation of cylinders has been carried out by our major companies and a change made in cylinder depreciation policy based on current replacement costs and a revised assessment of durability. These changes produced a revenue surplus of £5.2 million. We have used this opportunity and absorbed the surplus by accelerating depreciation of obsolete plant, the adoption by some Group companies of the LIFO or similar method of stock valuation and by other financially prudent measures.

A capital surplus arising from the revaluation of cylinders and of certain properties overseas has been taken direct to reserve and amounts to some £20 million.

The BOC share of associated company profits includes £8,276,000 from Airco Inc. and interest paid on the related borrowings amounted to £3,062,000.

Research and development costs of £3,558,000 (1973: £3,380,000) have been absorbed against regional trading.

Your directors recommend a final dividend of 1.4p as last year per 25p ordinary share making a total of 2.216025p for the year (1973 2.205p).

Books closed for the final dividend and reports and accounts to shareholders, 28 February; posting of final dividend warrants 1 April; shareholders' meeting 25 March.

Further copies of this report may be obtained from the Secretary, The British Oxygen Company Limited, Hammermith House, London, W6 9DX Tel: 01-748 2020.

FINANCIAL NEWS

Growth in Belgian market holds key to year's earnings of IC Gas

By Andrew Wilson

Despite a small setback at mid-term, the Imperial Continental Gas Association is set for another record year, with pretax profits likely to grow from £9.39m to probably something above £11m.

The figures for the six months to end-September are, as usual, almost meaningless as Calor Gas only ticks over during the summer months, while dividend income from the Belgian activities is booked only in the closing half.

At Calor Gas, turnover expanded 45 per cent to £27.8m and trading profits by 21 per cent to £3.52m. But after a sharp increase in interest and depreciation charges, last time's

pretax profit of £203,000 was reversed into a loss of £77,000. For the remainder of the year, an overall improvement is expected with the developing United States animal foods subsidiary (which suffered from the delayed maize harvest) expected to break even.

Earnings from Belgium, which come chiefly from the Electrogaz and Antwerp Gas, gas and electricity distribution operations are expected to increase for the full year by around 25 per cent. This arises from the strength of the Belgian franc against sterling and from higher profits on the index-linked tariffs on the services supplied by the companies.

Century Power and Light,

where IC Gas has a 59 per cent stake, was hit by escalating costs, but a 15 per cent increase in turnover is budgeted for in the full year; this should push gross profits some £50,000 ahead to £540,000.

More important, however, is the Government's eventual decision on tax on the North Sea oilfields where Century has a 9 per cent stake in the Maureen field and an undischarged holding in the key Andrew field.

The interim dividend is being raised from 3p to 4p gross and the final will be increased by the maximum possible, indicating a total for the year of 10.2p (9.05p).

Cranleigh loss after special items

Gloomy news from Cranleigh Group, apart from steps to discontinue its investment and financial division, as forecasted in October, is that although a pre-tax profit is returned of £772,000 against £1.12m, after deduction of extraordinary items of £832,000 (against £69,000) the "attributable" loss amounts to £470,000 compared with a profit of £542,000. Turnover was up from £8.04m to £9.19m for the year to August 31.

The extraordinary items are made up of surplus on conversion of loan stock, £161,000 profit, sales of Seddon Diesel Investment, £88,000 profit, over-provision for losses on sales of subsidiaries, £45,000 (loss of £107,000), provision for loss on Cecil Properties, £296,000, loss on shares

J & H B Jackson tops £1m with momentum held

Having regained its growth curve last year after two lean periods, and more optimistic at mid-way after successfully riding over the troubles of the three-day week, J & H B Jackson maintained its interim spurt throughout the full term to September 30. This group of steel and non-ferrous merchants turns in taxable profit 20 per cent higher at £1.34m (beating £1m for the first time), on turnover also up at the same rate to £10.43m. Earnings per share work out at 3p compared with 2.7p.

The board is not recommending a final dividend (against 0.2p) for the year past as the maximum payable is less than £1m for the first time. The total comes out at 0.603p against 0.575p. However, it will pay an interim dividend for the year to September 30, 1975, of 0.5p,

payable on March 11, on which a cash/script option is proposed. Corporation tax saving under the stock appreciation proposals outlined in the recent Budget were about £170,000 for the year past, under which they have risen in value from £1.3m to £2.86m.

For the year ahead, the momentum gathered in the final six months of the preceding year continues in the opening two months of the present term.

W Motor pass interim

Continuing to experience difficult times profits of Western Motor Holdings fell from £159,000 to £49,000 in the half to June 30. In the previous 12 months the decline was from £414,000 to £343,000. The dividend is passed, against 1p.

Thames TV and Capital Radio link in sales drive

Capital Radio, one of the two London commercial radio stations, has linked with Thames Television in a joint advertisement selling exercise. Rate cards offering a combination of television and radio spots are to be mailed out to advertisers and agencies this week.

The package includes radio advertisements in Capital's morning and early afternoon peak listening hours with evening television spots. It is aimed at local advertisers such as retailers and entertainment promoters. Bookings will be handled by either partner but Thames will deal with centralised accounting.

The link between the two media comes as something of a surprise since commercial radio was initially regarded as a direct competitor to the ITV contractors. However, the cutbacks in off-peak TV programming means that there is little overlap in the advertising time offered.

Meanwhile Capital, which admits to substantial overexpending in setting up the station, is continuing its negotiations for additional finance. Initial shareholders were Dominant with 32.5 per cent, Local News of London with 15 per cent, Radiofusion with 15 per cent, Evening Standard with 11 per cent and The Observer with 8.50 per cent. It is not yet known whether the extra funds will come from these or from new shareholders.

Buoyant sales

Despite large cutbacks by established users, the advertising industry enjoyed unexpectedly buoyant gross sales in November. Results compiled by Media Expenditure Analysis

Advertising & marketing

show a rise of 10 per cent in expenditure on press advertising and 12 per cent in television advertising compared with the same month last year.

The comparative results are distorted by rate increases and discounts but nevertheless indicate a real increase on last year. The November figures bring the total for the year so far to between 2 and 3 per cent below 1973. The industry, however, is extremely apprehensive about the early part of next year.

Many large food manufacturers including Cadbury Schweppes, Heinz and Unilever have sharply reduced their spending on advertising this year. The reasons given for the cuts range from shortages of packaging materials to competitive pressures.

Food manufacturers account for between 35 and 40 per cent of television advertising expenditure and widespread reticence could have serious implications for ITV contractors.

Holiday campaign

The Butlin group is battling for an increased share of the British holiday market next year with a £500,000 television and print advertising campaign. The Ladbroke Group is also planning an extensive advertising drive to promote its recently acquired holiday centres.

Patricia Tisdall

Business appointments

New chief for Lloyd's Aviation Underwriters

Mr J. M. T. Hewitt has been elected chairman of Lloyd's Aviation Underwriters' Association. Mr Neil Hill becomes deputy chairman.

Mr Derek Moon has been appointed managing director of Garrard Engineering.

Mr Donald Mathias, chairman of the Pet Food Manufacturers' Association, and chairman of Pedigree Petfoods, has been elected president of the European Pet Food Manufacturers' Association.

Mr C. J. Humphrey has joined the board of Carlisle Investment Trust and Tyneside Investment Trust.

Mr John Hitchcock has been appointed to the board of Salter Industrial Measurement.

Mr H. Dalton-Brown, manager of Johannesburg Consolidated Investment Company and chairman of Orange Mining Corporation, has been appointed to the board of "Johnnies".

Mr Gerry Lawler has joined the board of Cyren Building.

Mr Len Merchant has become a director of Libra Computing.

Mr Michael Adams joins the board of Foster Brothers Clothing.

Mr Jack D. Newell has been appointed contracts director of Industrial Energy Costs.

Dr Milorad Maksimovic, an executive director of Harris & Dixon, has additionally been appointed as managing director of Veritas Insurance of Lagos.

Mr Penton Robb has become director of marketing for Scottish Gas.

Mr Alan Davies has been elected chairman of United Kingdom Mining Association. Mr Neville Pain becomes vice-chairman.

Mr B. M. Thornton has been appointed commercial director at Walter Lawrence & Son (Holdings).

Mr J. H. Bancroft and Mr Imre Elek have been made additional directors of West Cumberland Silk Mills.

Mr Peter Sutcliffe has been made sales director of Diamond Shamrock Chemicals.

Mr R. J. W. Crabbe and Mr D. J. Welch have become directors of Sterling Credit Group.

Mr Crabbe is chairman of Provident Life Assurance and Mr Welch a director of Bankers Trust International.

Mr John Rothwell, a director of the London (Northern) Association, has been appointed a director of H. B. Williams, Reeves.

Mr Derek Hayes and Mr Clifford Sandelson have resigned as directors of Orme Developments.

Mr George Ashton has been elected president of the British Independent Steel Producers Association.

Following Mr D. M. Rhead's election as chairman-designate of LCP Holdings, he relinquishes the office of financial director and chairmanship of the engineering sub-group which is now to be continued as a separate division.

Mr D. B. Clark is appointed to the main board as financial director and Mr M. H. Craddock is elected chairman of the engineering division.

Bates pays £1.3m for control of French bank

By John Plender

Edward Bates & Sons (Holdings) is to pay around £1.3m for a controlling interest in Pommeret & Cie, a small French bank which specializes in discounting trade bills. Subject to Pommeret becoming a limited company, the purchase should take place before the year end.

Agreement in principle to acquire a 73 per cent stake in Pommeret from Banque Saint Phalle was reached over a year ago, but formalities have proved lengthy, a spokesman for Bates said last night. Medium-term dollar finance was arranged for the deal with London banks at the time of the original negotiations, he added.

A further 18 per cent of Pommeret is controlled by its president, M. Christian Pommeret, and the shares are traded in the over-the-counter market in Paris. Bates is paying Fr120 a share compared with a recent quote of Fr80. The company has a balance sheet footing of just under £10m and made net profits of around £76,000 in the year to December, 1973.

Bates, which recently sold its Welfare Insurance subsidiary at a book loss of around £91m, is hoping to build up international business in the French company and to increase its corporate financing activities.

Alcan's Norway sale through

The sale of half of Alcan Aluminium's holding in the Ardal and Sunndal company, to Norway for \$62m in cash has been approved by the Norwegian Government and will now go ahead.

Greenall Whitley kee record intact with marginal rise to £5.11

The result of Greenall Whitley, the largest of the regional brewers, for its last full period, is rather better than expected in that profits were ahead, albeit only marginally.

In the 12 months to September 27 profits of the group, which operates throughout the North-West, North Wales and also in part of the west Midlands, rose by £30,000 to a record £5.12m pre-tax. But having been 14 per cent ahead at half-way (a rise in the price of beer helping to offset rising costs over the initial half) the return from the second six months was down from £3.01m to £2.74m.

If the trend is down, the situation may be set to some extent by another increase, notification of which is currently before the Commission.

Coming from turnover increased from £47.3m to £50.1m, the pre-tax is struck after cost of repairing property which rose from £1.37m to £1.71m, depreciation main at £1.3m and interest at £1.16m (£1.09m). Earnings were 5.11p (6.14p) and a dividend of 1.88p rose total from 2.59p to 2.97p.

Fenner geared up for expansion

In the wake of last year's good performance, power-transmission engineers and conveyor-belt specialists J. H. Fenner reckon to be "well equipped to cope with any problems ahead", and Mr Joseph Palmer, chairman, is confident that the group will continue to prosper.

At home Fenner enjoyed buoyant conditions last year, and the board is still cheerful about the outlook here, particularly now that the recent slackening in the order intake in the materials-handling division appears reversed.

Performance abroad "even more striking", to "a substantially widened increased penetration".

End-year overdrafts of £863,000 to £2.4m finance a big increase in share buying, which is still low, and the directors are confident of the company's ability to finance a big capital-spending programme.

David Brown has recently acquired an 11.1 per cent stake in the group; it has 11.6 per cent.

Property Hldg & Inv

Income for the first half year declined from £815,000 to £727,000 at Property Holding & Investment Trust, after higher interest charges of £370,000 (£258,000). Earnings a share are down from 3.39p to 3.07p, while the interim dividend is held at 1.75p net. The board intends to raise the year's total from 4.5p to 4.75p.

Danks Gowerton

Announcing a rise in pre-tax profits from £2 to £3,470,000, Mr A. Roe, man of Danks Gowerton, says the board's aim is to expand turnover and profits. Sales advanced by 26 per cent to £4.28m. Group finance sufficient to sustain its growth, and orders are high level.

The Woolwich

"Society's immense financial strength"

Speech by the Chairman, Mr Alexander Meikle, CBE, CA, FRS, to the 127th Annual General Meeting of the Members held at the Cornhill Rooms, Great Queen Street, London WC2, on Tuesday, 17th December 1974.

The past year has been one of changing fortunes.

Interest rate changes

There had been in the preceding July, that is to say in July 1973, the altogether unprecedented increase in Bank Rate (or Bank of England minimum lending rate, call it what you will) from 7½ per cent to 11½ per cent. Inevitably this led to a fall in the flow of funds to the Society and an increase in withdrawals.

Your Board met this situation by raising the rate of interest on the Society's ordinary share accounts as from 1st October 1973, the first day of the year under review, from 6½ per cent to 7½ per cent (basic rate income tax being paid by the Society). The initial response to this increased rate was good, producing a net inflow of new capital at about the rate we had been accustomed to earlier in the year.

However, on 13th November 1973 the Bank of England once again raised its minimum lending rate, this time to 13 per cent. The effect on the Society's funds was much a repetition of the previous July experience. A good deal of money was attracted away from building societies by the rates offered by local authorities and also by the competition of income bonds which was not corrected until the Chancellor's Budget in March last.

Your Board preferred not to raise the rates of interest then offered to investors as this would have required a still further increase in the already historically high rate of 11 per cent being charged to borrowing members. Nor did we consider it appropriate in the then prevailing financial climate to run down our resources of cash and investments. Indeed throughout this difficult period the Society maintained substantial balances on call or at short notice with banks in addition to our holdings of very short-dated Government securities so that large sums of money were always available if required. And so we were able to meet the position when the savings inflow was matched by withdrawals; we were obliged to cut back our new lending to a level which we felt could be supported by repayments of capital by borrowers, together with interest which our investors leave with us to be added to their capital. We were thus much restricted in the volume of new mortgage business which we could entertain but business did go on and our new advances continued at a level of £100 million per annum.

Government loan

Against this background the Board welcomed the offer by the Government to make available to building societies in the five months from April to August 1974 a loan of, in all, £500 million on condition that participating societies did not increase their main borrowing and lending rates of interest. The Society took its share of these temporary loans. By 30th September £30 million had been received and a further £14 million was received thereafter, of which total £63 million has already been repaid.

Investment Certificates

In May 1974 an issue of Investment Certificates was announced by the Society. These Certificates offer a return of 1 per cent above the rate payable from time to time on the Society's ordinary share accounts to the investor who is prepared to commit his capital for two years. The present rate of interest on these Certificates is, therefore, 8½ per cent with income tax at the basic rate paid by the Society and the issue has been successful both in attracting new money and in adding to the stability of our capital structure.

These measures — the Government loan and Investment Certificates — together with an easing in the level of short-term interest rates enabled us to increase substantially the volume of new mortgage business in the second half of our year.

In the result, advances for the year totalled £137 million. A disappointing figure when compared with the total of £217 million in the previous year; but a considerably better figure than seemed possible in the early part of the year. At the year-end the volume of mortgage business awaiting completion in the normal course had increased to £50 million. In all we were able last year to help some 20,000 families to buy their own homes.

Total assets exceed £1,000 million

It is pleasant to record that, in this difficult and testing year for all financial institutions, the Society's total assets passed the milestone of £1,000 million. The Society celebrated its Centenary in 1974 when the total assets reached £50 million. Seven years later in 1954 they had doubled to £100 million; and now twenty years on they have increased tenfold to £1,000 million. The number of our members, investing and borrowing, has now passed one million.

At the end of the year our liquid balances amounted to £182 million representing 17.4 per cent of total assets. This is a higher ratio than we are accustomed to see but

not unduly high in these uncertain times. I want to stress that to undertake these balances were and are liquid. More than £98 million was held in gilts — securities which despite very adverse Stock Exchange prices had a market value of £95 million. Our investments are predominantly short-dated and in redemption value of £104 million. Indeed most of our securities could have been realised without any loss to the Society. It is a measure of their strength which remains the position today despite the substantial fall in the index of Government securities since the end of our Balance Sheet. The remainder of our investments, some £84 million, were held at seven days' notice banks and local authorities or in bank certificates deposit.

The balance of revenue for the year was £1,098, which was added to a surplus realised on investment during the year of £1,628,000 and against which charged a transfer of £390,000 to our Staff Pension Fund. Thus the General Reserve at the year-end amounted to £2,326,000.

Although I speak so confidently of the Society's immense financial strength and, indeed, with satisfaction at the way it has coped with the problems of the past year, we are not complacent nor are we oblivious of the problems of others. We know only too well the difficulties private homebuilders, with numbers of completed and unsold houses on their hands and new house starts falling to a reported 20-year low at the end of September last, compared, for example, with a monthly average of 19,000 in 1972. It has been and continues to be our policy to make generous allocation of mortgage funds to assist the purchase of houses. Builders everywhere will doubtless be encouraged by the improved availability of building society funds and I hope are long a like improvement in new house sales and starts.

First-time purchasers

We are also concerned about the problems facing first-time purchasers after the upsurge in house prices in 1973/74. But let there be no misapprehension: first-time purchasers are not all young couples, nor are all the people unable to help themselves. Our own current experience shows only some 40

FINANCIAL NEWS

W E Norton's pace accelerates

Promising first-half profits well ahead of the £73,000 achieved last term, machine tool merchants W. E. Norton have performed even better than expected, with much more than halved profits. On turnover increased from £2m to £2.75m, taxable earnings bounded from £3,000 to £185,000 for the half ending September 30 and the available profit from £34,000 to £89,000. The half-time payment is 0.45p against 0.37p on which there are 1.75 million shares. For the rest of the year all signs are going well. Incoming orders continue at a high level, and results for the 12 months to March 31 could be better than any previously reported.

Cooper Inds at interim peak

Turning in a record £1.5m a year, Cooper Industries, the Midlands steel, engineering and lifting group, maintained the pace in the opening half to reach 31 with best-ever half-earnings. Pre-tax profit rose 14 per cent to £7,000, on turnover 26 per cent higher at £12.09m. The interim dividend is 0.52p against 0.49p, and it is expected that the final will be a maximum permitted. Tax figures are omitted because substantial group and surmount relief will be available which cannot be accurately estimated at present. But the charge will be minimal. It also expected that deferred tax in excess of £250,000 will be obtained by stock relief provisions.

Factors

Announcing taxable profits last term up 46 per cent to £6,000 Mr John McQuestion, chairman of International Factors (75 per cent owned by Anglo-Scottish and 25 per cent by First National Bank of London), told shareholders the time of business handled rose £102m with the international accounting for 26 per cent. Turnings were up from 24.7p to 31.9p a share.

Diffusion-Shipton

and Diffusion has sold back Bankers Trust International

the equity of Shipton Automation, originally acquired in 1973. The initial cash consideration of £6.2m from the resale will be used to pay off the advance incurred at the time of the original purchase and interest.

Normand to rally from poor start

An interim slip in profits from £383,000 to £364,000 before tax at Normand Electrical Holdings prompted a decline in the share price yesterday, although the board predicts that profits for the full year should be similar to the £665,000 record achieved last year. Shareholders will be paid an interim of 1.17p, against 1p gross, and the final is also to be raised by the maximum allowed by the Treasury. Order books are strong for the rest of the year, and production is being stepped up.

Lindsay & Williams leaping ahead

The revitalised Lindsay & Williams is consolidating its return to the dividend list by adding a second interim of 1.49p to that already declared, bringing the total for the 10 months to October 31 to 2.98p (against 2p for the whole of 1973).

Taxable profits for the 10 months are £250,500, against £229,000 for the whole of last year, and include an exceptional profit of £38,000.

The board would like shareholders to receive some further benefit when the final figures are in, and subject to Treasury consent, a final is to be paid. There will also be a dividend script option.

Pilkington-St Gobain venture postponed

Plans of British glassmaker Pilkington Brothers for a £29m float glass plant in Sweden to be built at Halmstad received a setback yesterday with news that negotiations with Saint-Gobain-Fontaine-Mousson, its



Mr. Walter Norton, chairman of W. E. Norton: Indications of a record year.

French rival, had been broken off. According to company officials in Paris, St Gobain want to postpone the joint venture until 1980, essentially because of present economic difficulties. Meanwhile, it will continue to expand the activities of its Swedish subsidiary, Emmaboda Glaswerke, and develop the production of double-glass windows for insulation.

World-wide St Gobain produces about 4,500 tonnes of float glass daily under licence from Pilkington, but produces none in Scandinavia—Agencies.

PAHANG CONSOLIDATED
Company received subscriptions for 4.28m shares in response to its rights issue. Balance of about 3.71m shares (46 per cent) taken by underwriters.

W. CROWTHER
Pre-tax profits £445,000 (£432,000) for half-year are not strictly comparable because the 1973 period included three subsidiaries sold in April this year.

Net effect of these disposals in full year would be to reduce profits by £108,000. Company is in British Land group.

BATLEYS OF YORKSHIRE
Interim pre-tax £91,000 (£112,000) with earnings 1.2p (1.54p) a share. Dividend 1.04p (1p).

BRENTNALL BEARD
Taxable profits for year, £313,000 (against £359,000). Earnings a share are 8.11p (10.33p). Dividend is up from 3.88p to 4.36p gross.

Mining

Unicorp—a new factor emerges

Cape buying pushed the Union Corporation share price up another 14p to 464p yesterday—although the Gold Fields of South Africa bid, now worth about 500p, was the other major impetus.

It is now thought that the South African Mutual Insurance group has recently raised its stake from 3.2 to about 5 per cent of the Unicorp equity. With General Mining with about 28 per cent still opposed to the bid, and likely to remain so after the formal documents appear from GFSA, and with Charter Consolidated standing on the side lines with 10 per cent, the Mutual could well have the decisive vote as to the outcome of the offer.

The annual statements from the six Unicorp mines covering the nine months to end-September take a generally bullish line overall. Pride of place inevitably goes to the new Unisel mine where production is now expected to begin in August, 1978. It is hoped to improve productivity substantially by increased mechanisation in the stopes with experimental work now being carried out at St Helena.

Reserves at St Helena are now estimated at 13.3m tons with a grade of 12.8 g/t at a gold price of R3,500/kg (\$156oz) compared with 11.5m last year when the grade was 14.9 g/t and calculated on R2,000/kg (\$98oz). The new reduction plant will involve expenditure of R22.5m, of which R5.4m is attributable to processing Unisel production.

A warning, however, comes from Leslie where it is stated that values exposed in the western portion of the lease have not been encouraging. Unless there is a substantial improvement in the gold price the potential reserves of the mine can only be extended marginally. At current price, Leslie may have another five or six years' profitable life left. A further capital repayment of 10c will be made next year.

Mitchell Cotts Group Limited
1973/74 Results

Chairman—Mr. J. K. Dick C.B.E., F.C.A.

| | £'000 | Increase over 1972/73 |
|-------------------------------------|--------|-----------------------|
| Profit before Interest and Taxation | 10,649 | 33% |
| Profit before Taxation | 9,147 | 34% |
| Funds Employed | 53,298 | 19% |
| Return on Funds Employed | 20% | 12% |

Earnings per Ordinary Share 7.53 pence

Dividends per Ordinary Share

| | |
|---------------------|-------------|
| Interim— | 0.656 pence |
| Proposed Final— | 2.114 pence |
| Total for the year— | 2.770 pence |

Dividend Cover 2.65 times

Principal activities of the Mitchell Cotts Group

| | Profit Contribution |
|-------------------------------|---------------------|
| Engineering | 40% |
| Agriculture | 24% |
| Transport, Shipping & Storage | 24% |
| Vehicle Distribution | 6% |
| Commodity Trading | 6% |
| | 100% |



Mitchell Cotts Group Limited,
Cotts House, Camomile Street, London, EC3A 7BJ.
Telephone: 01-283 1234

For a copy of the annual report and accounts please contact the Secretary

Union Corporation Group
GOLD MINING COMPANIES

Points made in the statements by the Chairmen
Mr. E. Pavitt and Mr. L. W. P. van den Bosch

- * Average gold price received approximately R3,300 per kg (US \$147 per oz.)
- * Continuing inflation emphasises gold's traditional role as store of value
- * Long term future for gold continues to be encouraging
- * Cost increases contained below industry average
- * Group placing emphasis on training schemes and better use of work force to combat cost increases and labour shortage

WINKELHAAK MINES LIMITED

Instruction to artisan aides, which began last year, and a recently introduced programme of more advanced training for black team leaders shows signs of promise for the greater utilisation of the labour force in general. Partly as a result of this training and through a reorganisation of the distribution of labour employed on less essential operations, it was possible to increase the tonnage milled despite a 10 per cent reduction in the underground labour strength.

If we are to use to best effects the advantage the higher gold price has brought us, cost increases will have to be kept to more manageable levels. In addition to our own efforts to increase productivity much will depend on the Government's efforts to combat inflation.

Although stope production has not been seriously affected by the shortage of labour, any further reduction in the numbers of workers will inevitably curtail production.

KINROSS MINES LIMITED

The full effects of taxation and lease consideration were felt for the first time this year and these payments increased to R9.1 million. No. 2 Shaft has been completed to a depth of 733 metres below surface and should be completed in February 1976. The total cost of the shaft on completion is now estimated at R16 million. A borehole drilled as a pregrouting hole for No. 2 Shaft intersected the Kimberley Reef at a depth of 1,645.90 metres and 61.22 grams of gold per ton were assayed over a channel width of 53.1 centimetres yielding 3,251 centimetre grams. Although at this stage very little reef has been exposed, development from No. 1 Shaft carried out in the vicinity of the sinking shaft, has confirmed the borehole indications.

As mentioned in previous reports, the estimated payable tonnage based on borehole evaluations in the new area is not considered sufficient to warrant an increase in tonnage milled. However, before any final assessment of the potential of the northern area can be made, considerable development work will have to be done.

LESLIE GOLD MINES LIMITED

The rate of development was decreased for the period under review as a result of the inclusion of previously demarcated marginal grade blocks. However, results continue to be disappointing and values exposed in the western portion of the lease area have not been encouraging. For this reason and taking into account the substantial increase in working costs, it is considered that the potential reserves of the mine can only be marginally extended unless a substantial increase in the gold price occurs. At the current prices we anticipate that the mine will still have another five to six profitable years ahead of it.

In view of this a further repayment of capital amounting to 10 cents per share will be made to shareholders during the 1975 financial year.

BRACKEN MINES LIMITED

At the higher gold prices it was possible to decrease the rate of development and by including a number of previously marginal blocks, maintain the level of ore reserves. In the northern areas and in the area under option on the farm Witklefontein in the far north, where development has been concentrated, low values have continued to be exposed. For this reason and taking into account the substantial increase in working costs, it is considered that the potential ore reserves will only be marginally extended by the recent increases in the gold price. As such, we anticipate that the mine will still have another seven to nine years of production.

ST. HELENA GOLD MINES LIMITED

Preparations are being made at No. 8 Shaft to develop a drive on 18 Level into the Ongegend area to investigate the values disclosed by earlier surface drilling.

In my statement last year, I mentioned that consideration was being given to the replacement of the existing reduction works which is proving expensive to operate and maintain after having been in operation for 23 years. A decision has been reached to go ahead with the construction of a new reduction works at an estimated cost of R22.5 million of which some R5.4 million is attributable to capacity to meet the requirements of an agreement entered into with Unisel Gold Mines Limited. The programme is scheduled for completion in 1977.

Together with expenditure to be incurred under the agreement with Unisel, your Company will be involved over four years in the financing of capital works to the extent of an estimated R26.4 million. This figure assumes a cost escalation of 15 per cent per annum. The bulk of this financing will be internally generated through amounts already transferred to reserves and the deferment of taxation. A sum of R3 million has also been raised from the National Finance Corporation. It is anticipated that dividend distributions will not be inhibited as a result of the capital expenditure programme.

UNISEL GOLD MINES LIMITED

A start was made in August of this year on the shaft collar excavation and the construction of the headgear and winder foundations. Preparatory work for the construction of the road and rail facilities for St. Helena mine are also underway. All preliminary work and pregrouting of the shaft site is on schedule and it is expected that full scale sinking of the shaft will commence in the second quarter of 1975.

In planning the mine, due attention is being given to opportunities for mechanisation, thereby increasing productive output per man. Experiments, to find a way of achieving improved mechanisation in the stopes, are being carried out on a Union Corporation group mine.

In the Consulting Engineers' report which accompanied the prospectus, it was stated that provided no unforeseen difficulties arose, the shaft would be completed early in 1977. Underground development and stope preparation should take a further eighteen months, during which time trial milling will be carried out. On these estimates, the mine will be brought into production by August 1978.

Results for the nine month financial period ended 30th September 1974
(compared with results for the previous twelve months)

| Name of Company | Tons Milled '000 | Gold produced Kg. | Net Profit R'000 | Dividends cents per share | Ore Reserves Tons '000 | Value gms/ton |
|-----------------|------------------|--------------------|--------------------|---------------------------|------------------------|----------------|
| Bracken | 771 (1,038) | 6,375 (10,139) | 5,687 (5,108) | 51 (31) | 2,500 (1,800) | 9.0 (12.3) |
| Kinross | 1,168 (1,506) | 8,404 (12,258) | 9,920 (13,237) | 50 (46) | 8,500 (6,500) | 8.2 (10.0) |
| Leslie | 1,092 (1,458) | 5,754 (9,184) | 4,233 (4,080) | 32* (19)* | 4,200 (2,500) | 6.5 (7.7) |
| St. Helena | 1,708 (2,311) | 19,478 (29,364) | 20,258 (17,638) | 230 (130) | 13,300 (11,500) | 12.8 (14.9) |
| Winkelhaak | 1,530 (1,930) | 11,578 (16,370) | 10,184 (9,177) | 94 (48) | 10,000 (7,500) | 9.0 (10.2) |

Ore Reserves calculated at a gold price of:- 1974 R3,500 per kilogram

1973 R2,000 per kilogram

* Includes 10 cents capital repayment

Copies of the full reports of the gold mining companies (all of which are incorporated in the Republic of South Africa) for the nine months ended 30th September 1974 are available from the London Secretaries, Union Corporation (U.K.) Limited, 95 Gresham Street, London, EC2V 7BS.

TUNISIA

Among Arab countries Tunisia is probably the one with which Britons feel most familiar.

It appears politically stable under its veteran leader, Habib Bourguiba. Possession of a Jewish community has given it a reputation for tolerance. It lacks the brash assertiveness of countries which have not yet come to terms with their colonial past. While upholding Palestinian rights it has been on the sidelines of the Arab-Israeli conflict; the hijacking of the British VC10 last month was its first experience of this type of terrorism.

Above all, it has opened its frontiers to tourism, taking 124,000 people from Britain alone last year. Tunisia is one of the most politically experienced of Arab states. It was a protectorate under the French and therefore had more opportunity to take part in national affairs than its neighbours, Algeria and Libya, both of which were colonies. Achieving self-government in 1954 and complete independence in 1956, it heralded the end of European rule in Africa.

By Arab standards Tunisia has a high level of education. It devotes a large part of the budget to this sector and provides technical assistance to less developed states such as Libya and Algeria. The spread of schooling has contributed to the growth of a middle class which the Government sees as an essential prop to progress and stability.

Yet the closer one looks at

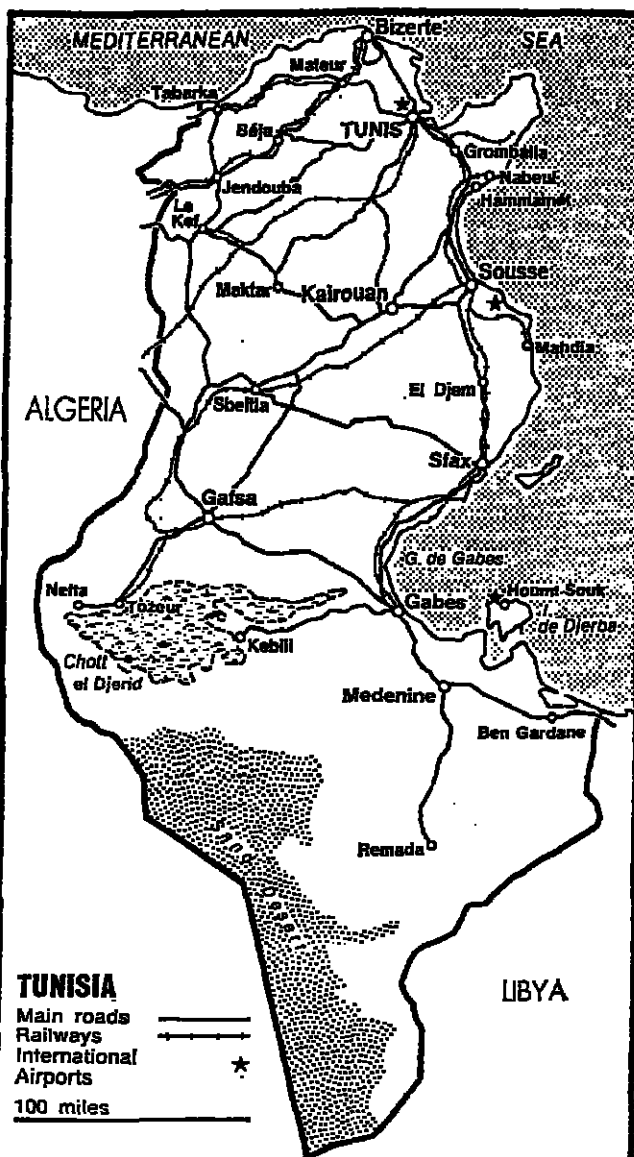
Tunisia the more one is aware of its problems and of the fragility of what has been accomplished on political, economic and cultural levels. To say that it was in a state of crisis would be to exaggerate. However, there are abundant elements in the present situation which could sour the achievements of the 18 years since independence.

Political life in Tunisia revolves around the President, Habib Bourguiba, who was 71 in August, is one of the outstanding figures of the Third World. A founder of the Neo-Destour Party 40 years ago, he was imprisoned by the French from 1934 to 1936 and from 1938 to 1943 and was kept in confinement or under surveillance from 1952 until 1955. He became Prime Minister after the first elections and President in 1957.

Since then he has shaped the country to an extent which is very rare among political leaders. Marxism has been rejected and close links forged with the United States. French troops have withdrawn from Bizerte and land owned by Frenchmen has been nationalized. Polygamy has been banned and fasting in Ramadan discouraged. In Middle East affairs Tunisia has steered a moderate course and has offered to mediate between Arabs and Israel.

Mr Bourguiba is referred to as the "father of the nation" and the "supreme combatant". Last month he was elected President for life of the republic. In September he was acclaimed President for life of its sole political party, the Parti Socialiste Destourien (PSD), the name which the Neo-Destour now bears.

Dominance of the polit-



The first was the transformation of agriculture into cooperatives in 1968 and 1969 by Ahmed Ben Salah, then holder of several ministerial portfolios and the second most powerful man in Tunisia. His methods were undoubtedly ruthless but the aim was strongly endorsed by the President. A former colleague recalls him saying that everything could be collectivized except women.

In September 1969 the cooperative programme was suddenly abandoned. Mr Ben Salah was sentenced to 10 years in prison for treason and mismanagement of the economy and land expropriated by the state was returned to private ownership. Although the improvement of rural life will come only through the formation of cooperatives little has been done to encourage them since.

The second adventure was the proposal to form a union with Libya. Mr Bourguiba agreed to this at a meeting with Colonel Gaddafi on the island of Djirba in January but immediately had second thoughts. The Foreign Minister, Mr Mohamed Masrouji, was dismissed and Mr Bourguiba has been heard of the proposal since. The President subsequently told the Egyptian newspaper *Al-Ahram* that he had not been well at the time.

These abrupt and disconcerting changes of policy have been accompanied by a tightening of political control. At the PSD congress in 1971 party members elected on to the central committee were a group of men who have since become severe critics of the regime.

Mr Hedi Nouria, the Prime Minister and the man designated as Mr Bourguiba's successor, said recently that Tunisia in Tunisia's case the problem is compounded by the conduct of affairs by the President since the late 1960s.

Minister of the Interior and of Defence, who resigned his portfolio in 1968 in protest at Ben Salah's action and was expelled from the party in 1972; and seven politicians who sent a letter to the press on the eve of the PSD congress in September complaining about the lack of democracy within the party.

The seven, who have since been expelled from the party, include Mr Bejjai, Mr Essebsi, former Minister of the Interior, Mr Habib Boulares, former Minister of Culture and Information, Mr Hassib Ben Ammar, former Minister of Defence, Mr Sadok Ben Djama, former Minister of Social Affairs, and Mr Mohamed Ben Amara, former director of the PSD. The critics' case is that Tunisia is politically mature enough to enjoy greater freedom of speech. They point out that the central committee chosen democratically in 1971 never met. They find little to recommend in a system where the President selects the members of the Political Bureau. Until 1971 there was complete liberty of expression within a unified party, they say. Then Mr Bourguiba killed the dialogue.

The critics argue that the stability of the state is precarious because it depends on the mood of a President who is subject to fits of personal depression, who blames other people for his own mistakes, who has policies which he had once endorsed, and who is fiercely jealous of anyone who achieves political success. One of them told me that a democracy with anarcho-capitalist tendencies, such as Italy, was better than the power founded on personal whim. These former party stalwarts do not wish for Mr Bourguiba's replacement "somewhat stagnant", lacking in dynamism and privileged status. Cooperation

with countries to the west was not at all satisfactory. There had been no progress apart from cultural exchanges. A permanent committee of economic ministers had not met for at least four years, although it was supposed to do so annually.

In his offer to mediate between Arabs and Israelis, President Bourguiba has come against the latter's refusal to accept the partition of Palestine along the lines of the United Nations resolution of 1947, which is his condition for meeting them. Mr Chazal said the chances of peace in the Middle East were "almost non-existent" because of Israel's intransigence. He thought the 1947 resolution had been virtually accepted by the Palestinians.

Against its wishes Tunisia found itself thrust into the limelight of Middle East politics last month with the hijacking of the British VC10. Accepting the four commandos, and their seven comrades released from jails in Cairo and The Hague, was an embarrassing outcome for the Government and it was no doubt relieved to get rid of them.

On the economic front Tunisia has been helped by increased rainfall over the past few years and a sharp rise in prices for its phosphates, olive oil and petroleum. However, these windfalls cannot hide grave weaknesses.

Mr Nouria, who as Prime Minister has concentrated on managing the economy, told the PSD congress in September that the 10 years up to 1971 has been marked by "general austerity and a relative stagnation in average standards of living". He said that 40 per cent of Tunisians have an income "below the poverty threshold". In 1972 only 1,381,700, or

26 per cent, of a total of 5,310,900 were said to be active in the labour market. These 614,500 had a permanent or occasional employment. The Government estimates that the demand for jobs during the four years (1973-76) will be 194,000 to create 118,000 home and to absorb the surplus by emigration.

There are already 200,000 Tunisians abroad, mainly in Libya and West Germany. The Government satisfies the growing demand for a population with better educated foreign television programmes, has contact with EEC wealth, which is a welcome sight for the young.

cent of Tunisians are 20—and is increasing at a rate of about 130,000. So far the country has escaped the high of European count the signs of it as the price of olive oil has risen by 50 per cent and the higher cost of imported raw materials has forced the Government to begin to get rid of them.

Underlying the economic and social problems which the sociologists Camilleri has called "crisis of readaptation" is the study of *Jeunesse, et Développement*, the difficulties experienced by Tunisians in the traditional family system, with ideas deduced from Europe, the family is seen as the narrower frame, a couple and their children.

Simon Scott F

Prices attractive for tourist in country where unemployment is the main problem

Tourism remained Tunisia's largest source of foreign currency earnings in 1973, but the year was the worst in the industry's brief history. With 780,350 visitors in 1972, Government officials predicted more than 900,000 for 1973. In fact they received only 721,897. The hotel occupancy rate fell from 57.6 per cent to 43.7 per cent and revenue was nearly 10m dinars short of the target set by the fourth plan.

These failures were largely the result of a poor response from the West Germans and British who, with the French, accounted for 60 per cent of the market in 1972. The number of Germans fell by 37.9 per cent from 168,936 to 104,847; the number of British by 12.2 per cent from 141,320 to 124,140.

This year has not been much better. The first half was extremely disappointing, with visitors from

Britain, for example, down from 74,000 during the same period in 1973 to 28,500.

The situation has improved somewhat since. The national tourist office has raised its forecast on the number of tourists this year to just below the level for 1973 and earnings are expected to rise from 72m dinars to about 90m dinars. Early predictions suggest that the country may receive about 800,000 tourists in 1975.

By a stroke of bitter irony, the recovery in the second half of this year was partly because of the war in Cyprus. Mr Ahmed Smaoui, a director of the tourist office, said that about 20,000 people had been diverted to Tunisia from recent poor performance. The chief of these is the economic crisis in Europe, which has led people to cut back on luxuries such as holidays abroad. Tunisia is not alone in feeling its effects and can hardly be expected to deal with its

However, there are specific faults in the national tourist industry where the Tunisians have plenty of scope for action. According to Mr Smaoui the chief weakness is the service in hotels. This is generally friendly, as any visitor to the country knows, but lacks experience. Tunisia has five hotel schools and one institute of hotel-keeping and tourism. It is building two more schools and will start work next year on a further two, with training hotels attached. Mr Smaoui said he thought that the quality of service would improve in two to three years' time.

He was worried also about the lack of control over activities connected with tourism. He cited the case of an Englishman who bought a carpet in Kairouan and asked for it to be sent on to him. When it arrived in London he found that it was not the same carpet. The tourist may have been satisfied with his hotel, the weather and the beach, but an incident of this kind leaves a sour taste and dissuades him from returning to Tunisia.

ence of the past two years has been a sobering one for adolescent tourist industry. The expansion programme for the current plan (1973-76) has been cut from 35,000 to 25,000 beds and much thought has been given to the reasons for the recent poor performance.

The chief of these is the economic crisis in Europe, which has led people to cut back on luxuries such as holidays abroad. Tunisia is not alone in feeling its effects and can hardly be expected to deal with its

However, there are specific faults in the national tourist industry where the Tunisians have plenty of scope for action. According to Mr Smaoui the chief weakness is the service in hotels. This is generally friendly, as any visitor to the country knows, but lacks experience. Tunisia has five hotel schools and one institute of hotel-keeping and tourism. It is building two more schools and will start work next year on a further two, with training hotels attached. Mr Smaoui said he thought that the quality of service would improve in two to three years' time.

He was worried also about the lack of control over activities connected with tourism. He cited the case of an Englishman who bought a carpet in Kairouan and asked for it to be sent on to him. When it arrived in London he found that it was not the same carpet. The tourist may have been satisfied with his hotel, the weather and the beach, but an incident of this kind leaves a sour taste and dissuades him from returning to Tunisia.

The costs rise by 40 per cent

Another weakness of the industry is the lack of co-operation between hotel-keepers, which allows foreign tour operators to drive a hard bargain with individual hotels. Prices are attractively low for the tourist, but in many cases fail to cover the hotelkeepers' costs. On Djirba, basic prices have not risen for the past four seasons, a period in which costs had risen by 40 per cent.

When a Briton can have a winter week in Tunisia for £38 or a German two weeks for just over £100, air fares included, the sum received by the hoteliers is hardly enough to cover the cost of food, let alone pay their staff a decent wage. A Tunisian tourist official said hoteliers tried to make up on extras such as hairdressing and *mechoui* (roast lamb) parties.

In a country where lack of work is the main problem, the Government has welcomed tourism for the jobs it provides. However, the creation of permanent employment for nearly 30,000 people has been achieved at a cost to the hotel-keeper and also to the tourists themselves. Djirba, for example, has 8,000 hotel beds, but an alarming dearth of doctors for its large seasonal population. It is time that prices were raised to a realistic level and a more comprehensive service provided for the visitor.

In negotiating with European tour operators the strength of the hoteliers' case depends to some extent on the number of beds he has at his disposal. This can come through cooperation among small hotels or by the creation of larger units.

An example of the latter is the Dar Jerba hotel on the north coast of Djirba, which opened in 1972 and was completed last year. It is divided into four hotels of different standards under one management and has 2,500 beds. Dar Jerba illustrates a tendency of recent years for the country to move away from small hotels with subsequent additions, towards large units catering for mass tourism. In Monastir an hotel with 3,500 beds is under construction and there are plans to build a new resort of 13,000 beds, on the lines of the French tourist towns, to the north of Sousse.

For me the outstanding facets of Tunisian tourism

are the siting and design of the hotels. In the Gulf of Hammamet, for example, the hotels lie back from the beach amidst olive and citrus groves. Some are extensions to what were formerly private villas. They use features of local architecture and, with one exception, do not intrude on the natural beauty of the coast.

The same is true in Djirba. Coming from the airport the first view of Dar Jerba is of gleaming white domes and arcades set among palm trees on the far side of a lagoon. Close inspection of this complex, which was designed by the Danish architect Claus Bremer, reveals a main square whose scale is perhaps too large for comfort and where the arched almost excessive. However, a sense of intimacy is restored by the rooms, each of which has a separate entrance and a tiny garden. Many are in the form of small domed houses, in-

spired by the native architecture.

The French architect Gaudier Delage likewise draws on the local style at Djirba Menzel, but in a different form. Ten *menzels*, a type of dwelling found in Tunisia, are dotted around the beach. Each has an entrance hall and 14 split-level rooms with roof balconies, grouped around a courtyard garden. A central building contains the reception hall, restaurants, cafes and bars. There is also a swimming pool.

Some hotels are less successful architecturally. Mr Smaoui was unhappy about the large, tall block of the Rym, now under construction in Monastir, and thought that the Phénicia in Hammamet had one storey too many. One could also call to mind the Carthage, which has an ugly central block, and the Africa in Tunis, which rises 20 storeys above a boulevard

where the buildings erratically between six a storeys high.

As the size of hotels increases so does the hood of spoiling the environment. More have to be uprooted the site and tends to jar with roundings. The Government is aware of this and has recently in strict planning. Mr Smaoui outlines as 100 beds per hectare, eight to 32.5 of beach per hectare, maximum height of buildings corresponding of the tallest tree site.

These regulations designed to safeguard distinctive achieve Tunisian tourism avoid what Mr Smaoui calls "baleazization", the concrete tower block congested beaches Spain.

The British Bank of the Middle East

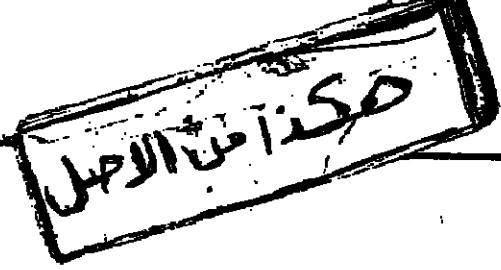
North Africa
Near and Middle East
India
Switzerland

Branch in
TUNISIA

at
70, Avenue Habib Bourguiba, Tunis.

20 Abchurch Lane
London EC4N 7AY
Tel: 01-623 2030

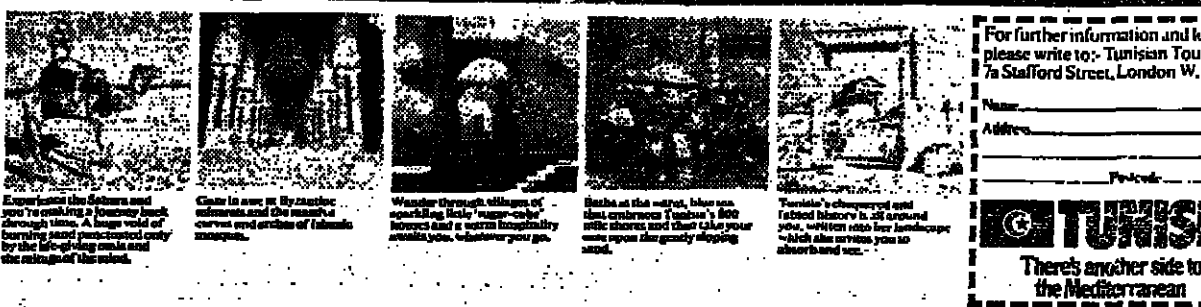
A Member of The Hongkong Bank Group



Tunisia says "Marhaba"

A tapestry of shimmering golden beaches and quiet blue-green bays; of vast Roman amphitheatres and towering mosques etched into an azure sky; of the silent, forbidding Sahara and labyrinthine, bustling souks; of Bedouin mud huts and gracefully sculpted hotels; of gardens, terraces and avenues laden with the scents of jasmine and oleander; and a people as welcoming as the mediterranean sun which greets their visitors all year round.

"you are welcome"



For further information and leaflets write to: Tunisia Tour 7a Stafford Street, London W.1.

TUNISIA
There's another side to the Mediterranean

Good fortune and a sharp swing to the right bring rich rewards

by Godfrey Morrison
Editor, Africa Confidential

With steadily mounting foreign exchange reserves and ambitious but realistic plans for industrial expansion and diversification, the outlook for the Tunisian economy looks excellent. The confidence with which both private businessmen and government planners in Tunis can look to the future is a recent phenomenon.

Until the end of the 1960s the economic outlook for Tunisia was unhealthy. A high birth-rate and huge expenditure on education were producing a new generation of discontented people for whom the employment prospects seemed bleak. Dirigiste policies had brought about a concentration of such of industry and were arising off foreign investment from a country whose natural resources of oil and phosphates were being squandered to her immediate neighbours Algeria and Libya.

The past four years, however, have seen a dramatic transformation of the economic scene. Late in 1969 President Bourguiba dismissed Mr Ahmed Ben Salah, who was then the extremely powerful Finance, Planning and Education Minister, and was the Government's socialist enthusiast, and country took a sharp turn to the right. Since that time the guidance of Mr H. Nouira, a moderate and veteran leader, the economy has returned to a more realistic approach.

One of the key figures in the economic policy has been the much younger Mr Ali Ayari, who at 41 was named Minister until a reshuffle in September when he moved to the Ministry of the Faculty of Law, the Faculty of Science and Economics at Tunis University, and Director of the World Bank. He is 31, has a reputation in banking circles.

He moved to the right, but does not explain, the recovery economy in the past years. Good fortune has played its part. The good fortune has been abundant rainfall has produced good crops, some oil strikes, a recent sharp rise in world price of oil, phosphates and olive oil, an important agricultural export.

At one time it looked as if fate had been extraordinarily kind to Tunisia. On either side of the country, in Algeria and Libya, oil and natural gas poured from the ground in abundance. All the Tunisians had was a really big producer and now already past its peak production years. However, a much more recent discovery, the offshore Ashram field, near the Kerkennah islands, is proving much more productive than was originally expected. Oil production has already passed 40,000 barrels a day and could well reach double that figure in a year's time. Meanwhile two wells have been drilled in the new Iaf field, which is also offshore about 100 miles east of Sfax, and the indications are promising.

Phosphates have also played their part in the economic turn-about following the sharp rise in world prices which increased from \$13 to \$52 in just a year. At one time production from the relatively low-grade rock was maintained by the Government mainly for political and social reasons—to preserve the jobs of about 12,000 people—but at the new prices the whole industry has become a major component of the country's export earnings.

With the world food crisis and chronic fertilizer shortage the outlook must be good. Only last month a new phosphate factory in the Gafsa Governorate passed from the trial stage to active production, which should eventually add another 1,200 tonnes of phosphates a year. This will be welcome since, though export earnings this year from phosphates are well up, this is entirely due to the rise in prices, since production figures for the first seven months of 1974 are lower than in the same period last year.

The agricultural outlook remains promising. The rains have been good this autumn, which should benefit most crops though there are reports that the date harvest has been badly affected by them. Olive oil production is expected to be about 80,000 tonnes this year which, though much lower than last year's 130,000 tonnes, is still regarded as satisfactory since this crop varies in a cyclical manner.

What he has in mind is the training of young Tunisians to do the work necessary for the country's development. "We have a duty to train useful citizens," he said. "We must therefore train market gardeners, masons, hairdressers, electricians. This also means that we are not required to make everybody chemists, lawyers, men of letters or sociologists."

Mr Nouira was echoing the line taken by the President on the same occasion. President Bourguiba said that education was an end in itself but that this aspect of its obligations as a means of development.

"If it were otherwise," he added, "education would be for individuals no more than an intellectual luxury, and for society a nonsense, even a catastrophe. For it would mould brains which could not be inserted into production circuits."

"That would cause a rupture between the 'educated' and society. The result would be discontent and resentment leading to explosions of various kinds which undermine society."

The consequences of this predominantly utilitarian view of education can be seen in the fourth national plan (1973-76), which is remarkable more for the changes of emphasis within the system than for quantitative increases.

Primary education is considered to be a universal right and the number of pupils is expected to rise by over 100,000 during the plan. The main problem at this level is the failure rate: more children than not fail to go on to secondary schools and between 50,000 and 60,000 leave school each year without completing the six-year course.

These young Tunisians emerge from the classroom with a basic general education but no technical qualifications. So they find difficulty in getting a job. To prevent such a waste of manpower the Government has introduced manual work into the timetable for the last two years of primary schooling. It hopes thereby to overcome a widespread aversion to working with the hands and to provide the basis for subsequent technical training.

At Sidi Thabet, to the north-west of Tunis, the children do two hours of horticulture a week. During their visit they were preparing for growing potatoes, planting beetroot and picking mandarin oranges. Each class has its own plot of land. The pupils have sold peppers in the village market and oranges to the staff and the school kitchen.

The head mistress said that parents had been reluctant at first about the scheme but were now keen on it. Not surprisingly, the children seemed quite happy to be out in the sunshine rather than sitting in a classroom.

When I went to La Goulette, across the lake from Tunis, the children were making shoes in iron wire. Last year they all did the same thing. This year they can choose, and the well is hung with metal animals and flowers. They also work in wood, sheet iron and plaster and receive elementary instruction in electricity.

Mr Guiga said that 24,000 primary pupils were doing manual work this year and that by 1980 all primary schoolchildren would be involved in it. A government official working for the scheme told me that he would like to see some form



The mosque of Sidi Bou Makhlouf at El Kef, western Tunisia.

quite independent of weather or good husbandry.

Tunisia has suffered continual foreign trade deficits, but in the past few years has enjoyed a consistent balance of payments surplus. The reason has been the foreign exchange inflow from tourism and the remittances from the large number of Tunisians working in Europe, mainly in France and West Germany. Foreign aid from the international agencies and a large number of bilateral aid donors, as well as a growing flow from foreign private investment, have added to the surplus.

The latest figures available, covering the first seven months of this year, suggest that an end to the constant trade deficits is now a distinct possibility. Exports at 197m dinars represented about 80 per cent cover of the country's imports during the same period. During recent years, the country's annual

exports have been worth only from 50 per cent to 65 per cent of total imports. The encouraging results this year have been achieved despite a sharp rise in the value of imports and are due to the turn in Cyprus olive oil, phosphates, superphosphates, phosphoric acid and crude oil.

Earnings from tourism should also be fairly good this year. The good results in this sector are largely due to the tourists in Cyprus which caused a diversion of many tourists to Tunisia at the last moment. Otherwise the results would probably have been discouraging. In the mid-1960s this was the only economic success story, but of late tourists have shown an unwillingness to return for a second time to Tunisia. However, the fact that government officials and the press now talk openly of the tourism crisis, rather than trying to sweep the in-

dustry's problems under the carpet, suggests that in time the problem will be solved. In the long term the prospects must be excellent.

Because of the high birth-rate and the large pool of unemployed, the creation of new jobs remains a prime aim of economic policy. A recent report by the Central Bank estimates that about 30,000 new jobs were created in 1973 but notes that 19,000 Tunisians still had to be placed overseas, in France, West Germany and Libya. The problem of unemployment was a major factor behind the law of April, 1972, which offered foreign firms special tax privileges and other incentives to set up in Tunisia and produce for export.

This scheme seems to have been a considerable success already, even though it is still in its infancy. Mr Tijani Chelli, head of the Investment Promotion Agency, has said that a main aim of the 1972 law was to enable Tunisia "to import work rather than exporting labour". Other advantages of setting up in Tunisia include the import of technical skills, another method of effecting the transfer of technology.

The current four-year plan (1973-76) views the manufacturing industry as the main source of new jobs, even though the acceleration of industrialization is a recent phenomenon. A recent survey reported that investment in the manufacturing industry approved in 1973 reached D134m, against D50m in 1972 and only D25m in 1971.

Provided world economic conditions do not get out of hand, there seems to be a good chance that Tunisia will build up a profitable industrial sector quickly. The reasons for this are: the encouragement now given to foreign investors and the favourable status Tunisia will enjoy in its relations with the European Economic Community.

Another favourable factor is the large investment the country has made in education. In the years since independence, about one third of recurrent expenditure has been spent on education. This has produced a more advanced labour force and potential managers and technicians in greater numbers than those possessed by most African and Arab countries.

Despite the inevitable hard feelings after the on-off union with Libya, cooperation, particularly on a practical economic level, is quietly developing between Tunis and Tripoli. There are also growing trade links with Algeria. However, despite these developments and attempts to build up the economic and political solidarity of the Maghreb region, it is difficult to think of Tunisia's economic future other than in terms of its relations with Western Europe, France, Italy and West Germany remain the main trading partners.

Of vital importance for the future will be an agreement, which should come into force some time next year, between Tunisia and the EEC. A limited association agreement between Tunisia and Morocco has been in operation since 1969, but was confined to restricted trade concessions. Both

feeling after the on-off union with Libya, cooperation, particularly on a practical economic level, is quietly developing between Tunis and Tripoli. There are also growing trade links with Algeria. However, despite these developments and attempts to build up the economic and political solidarity of the Maghreb region, it is difficult to think of Tunisia's economic future other than in terms of its relations with Western Europe, France, Italy and West Germany remain the main trading partners.

Of vital importance for the future will be an agreement, which should come into force some time next year, between Tunisia and the EEC. A limited association agreement between Tunisia and Morocco has been in operation since 1969, but was confined to restricted trade concessions. Both

feeling after the on-off union with Libya, cooperation, particularly on a practical economic level, is quietly developing between Tunis and Tripoli. There are also growing trade links with Algeria. However, despite these developments and attempts to build up the economic and political solidarity of the Maghreb region, it is difficult to think of Tunisia's economic future other than in terms of its relations with Western Europe, France, Italy and West Germany remain the main trading partners.

Of vital importance for the future will be an agreement, which should come into force some time next year, between Tunisia and the EEC. A limited association agreement between Tunisia and Morocco has been in operation since 1969, but was confined to restricted trade concessions. Both

feeling after the on-off union with Libya, cooperation, particularly on a practical economic level, is quietly developing between Tunis and Tripoli. There are also growing trade links with Algeria. However, despite these developments and attempts to build up the economic and political solidarity of the Maghreb region, it is difficult to think of Tunisia's economic future other than in terms of its relations with Western Europe, France, Italy and West Germany remain the main trading partners.

Of vital importance for the future will be an agreement, which should come into force some time next year, between Tunisia and the EEC. A limited association agreement between Tunisia and Morocco has been in operation since 1969, but was confined to restricted trade concessions. Both

feeling after the on-off union with Libya, cooperation, particularly on a practical economic level, is quietly developing between Tunis and Tripoli. There are also growing trade links with Algeria. However, despite these developments and attempts to build up the economic and political solidarity of the Maghreb region, it is difficult to think of Tunisia's economic future other than in terms of its relations with Western Europe, France, Italy and West Germany remain the main trading partners.

Of vital importance for the future will be an agreement, which should come into force some time next year, between Tunisia and the EEC. A limited association agreement between Tunisia and Morocco has been in operation since 1969, but was confined to restricted trade concessions. Both

feeling after the on-off union with Libya, cooperation, particularly on a practical economic level, is quietly developing between Tunis and Tripoli. There are also growing trade links with Algeria. However, despite these developments and attempts to build up the economic and political solidarity of the Maghreb region, it is difficult to think of Tunisia's economic future other than in terms of its relations with Western Europe, France, Italy and West Germany remain the main trading partners.

Of vital importance for the future will be an agreement, which should come into force some time next year, between Tunisia and the EEC. A limited association agreement between Tunisia and Morocco has been in operation since 1969, but was confined to restricted trade concessions. Both

feeling after the on-off union with Libya, cooperation, particularly on a practical economic level, is quietly developing between Tunis and Tripoli. There are also growing trade links with Algeria. However, despite these developments and attempts to build up the economic and political solidarity of the Maghreb region, it is difficult to think of Tunisia's economic future other than in terms of its relations with Western Europe, France, Italy and West Germany remain the main trading partners.

Of vital importance for the future will be an agreement, which should come into force some time next year, between Tunisia and the EEC. A limited association agreement between Tunisia and Morocco has been in operation since 1969, but was confined to restricted trade concessions. Both

feeling after the on-off union with Libya, cooperation, particularly on a practical economic level, is quietly developing between Tunis and Tripoli. There are also growing trade links with Algeria. However, despite these developments and attempts to build up the economic and political solidarity of the Maghreb region, it is difficult to think of Tunisia's economic future other than in terms of its relations with Western Europe, France, Italy and West Germany remain the main trading partners.

Of vital importance for the future will be an agreement, which should come into force some time next year, between Tunisia and the EEC. A limited association agreement between Tunisia and Morocco has been in operation since 1969, but was confined to restricted trade concessions. Both

feeling after the on-off union with Libya, cooperation, particularly on a practical economic level, is quietly developing between Tunis and Tripoli. There are also growing trade links with Algeria. However, despite these developments and attempts to build up the economic and political solidarity of the Maghreb region, it is difficult to think of Tunisia's economic future other than in terms of its relations with Western Europe, France, Italy and West Germany remain the main trading partners.

Of vital importance for the future will be an agreement, which should come into force some time next year, between Tunisia and the EEC. A limited association agreement between Tunisia and Morocco has been in operation since 1969, but was confined to restricted trade concessions. Both

feeling after the on-off union with Libya, cooperation, particularly on a practical economic level, is quietly developing between Tunis and Tripoli. There are also growing trade links with Algeria. However, despite these developments and attempts to build up the economic and political solidarity of the Maghreb region, it is difficult to think of Tunisia's economic future other than in terms of its relations with Western Europe, France, Italy and West Germany remain the main trading partners.

Of vital importance for the future will be an agreement, which should come into force some time next year, between Tunisia and the EEC. A limited association agreement between Tunisia and Morocco has been in operation since 1969, but was confined to restricted trade concessions. Both

feeling after the on-off union with Libya, cooperation, particularly on a practical economic level, is quietly developing between Tunis and Tripoli. There are also growing trade links with Algeria. However, despite these developments and attempts to build up the economic and political solidarity of the Maghreb region, it is difficult to think of Tunisia's economic future other than in terms of its relations with Western Europe, France, Italy and West Germany remain the main trading partners.

Of vital importance for the future will be an agreement, which should come into force some time next year, between Tunisia and the EEC. A limited association agreement between Tunisia and Morocco has been in operation since 1969, but was confined to restricted trade concessions. Both

feeling after the on-off union with Libya, cooperation, particularly on a practical economic level, is quietly developing between Tunis and Tripoli. There are also growing trade links with Algeria. However, despite these developments and attempts to build up the economic and political solidarity of the Maghreb region, it is difficult to think of Tunisia's economic future other than in terms of its relations with Western Europe, France, Italy and West Germany remain the main trading partners.

Of vital importance for the future will be an agreement, which should come into force some time next year, between Tunisia and the EEC. A limited association agreement between Tunisia and Morocco has been in operation since 1969, but was confined to restricted trade concessions. Both

feeling after the on-off union with Libya, cooperation, particularly on a practical economic level, is quietly developing between Tunis and Tripoli. There are also growing trade links with Algeria. However, despite these developments and attempts to build up the economic and political solidarity of the Maghreb region, it is difficult to think of Tunisia's economic future other than in terms of its relations with Western Europe, France, Italy and West Germany remain the main trading partners.

Of vital importance for the future will be an agreement, which should come into force some time next year, between Tunisia and the EEC. A limited association agreement between Tunisia and Morocco has been in operation since 1969, but was confined to restricted trade concessions. Both

feeling after the on-off union with Libya, cooperation, particularly on a practical economic level, is quietly developing between Tunis and Tripoli. There are also growing trade links with Algeria. However, despite these developments and attempts to build up the economic and political solidarity of the Maghreb region, it is difficult to think of Tunisia's economic future other than in terms of its relations with Western Europe, France, Italy and West Germany remain the main trading partners.

Of vital importance for the future will be an agreement, which should come into force some time next year, between Tunisia and the EEC. A limited association agreement between Tunisia and Morocco has been in operation since 1969, but was confined to restricted trade concessions. Both

feeling after the on-off union with Libya, cooperation, particularly on a practical economic level, is quietly developing between Tunis and Tripoli. There are also growing trade links with Algeria. However, despite these developments and attempts to build up the economic and political solidarity of the Maghreb region, it is difficult to think of Tunisia's economic future other than in terms of its relations with Western Europe, France, Italy and West Germany remain the main trading partners.

Of vital importance for the future will be an agreement, which should come into force some time next year, between Tunisia and the EEC. A limited association agreement between Tunisia and Morocco has been in operation since 1969, but was confined to restricted trade concessions. Both

feeling after the on-off union with Libya, cooperation, particularly on a practical economic level, is quietly developing between Tunis and Tripoli. There are also growing trade links with Algeria. However, despite these developments and attempts to build up the economic and political solidarity of the Maghreb region, it is difficult to think of Tunisia's economic future other than in terms of its relations with Western Europe, France, Italy and West Germany remain the main trading partners.

Of vital importance for the future will be an agreement, which should come into force some time next year, between Tunisia and the EEC. A limited association agreement between Tunisia and Morocco has been in operation since 1969, but was confined to restricted trade concessions. Both

feeling after the on-off union with Libya, cooperation, particularly on a practical economic level, is quietly developing between Tunis and Tripoli. There are also growing trade links with Algeria. However, despite these developments and attempts to build up the economic and political solidarity of the Maghreb region, it is difficult to think of Tunisia's economic future other than in terms of its relations with Western Europe, France, Italy and West Germany remain the main trading partners.

Of vital importance for the future will be an agreement, which should come into force some time next year, between Tunisia and the EEC. A limited association agreement between Tunisia and Morocco has been in operation since 1969, but was confined to restricted trade concessions. Both

feeling after the on-off union with Libya, cooperation, particularly on a practical economic level, is quietly developing between Tunis and Tripoli. There are also growing trade links with Algeria. However, despite these developments and attempts to build up the economic and political solidarity of the Maghreb region, it is difficult to think of Tunisia's economic future other than in terms of its relations with Western Europe, France, Italy and West Germany remain the main trading partners.

TUNISIAN ROCK PHOSPHATE

Produced by

"COMPAGNIE DES PHOSPHATES ET DU CHEMIN DE FER DE GAFSA"

"SOCIETE TUNISIENNE D'EXPLOITATIONS PHOSPHATIERES"

Head Office:

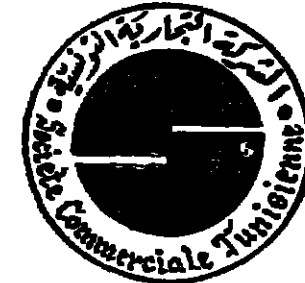
9, Rue du Royaume d'Arabie Séoudite TUNIS

Telex: GAFS S 12474 TN Telephone: 283.522

Paris Office:

TUNIFOS—41, Avenue Hoche 75008 Telex: 29558 TUNIFOS PARIS

Téléphone: 924-94-10



In Tunisia

A Leading Firm is at your disposal for

Air and Sea Forwarding, Clearance and Storage
Survey & Inspection, Lloyd's Agency, P & I Clubs Representatives.
Shipping Agency Husbanding Agents
Fresh Fruits & Vegetables Export
Wine & Alcohol Pumping Containers
Coal Importers and Suppliers
Special on carrying Service to Libya through Tunisian Ports

Apply to:

SOCIETE COMMERCIALE TUNISIENNE

SOCOTU

Head Office at Tunis

Branch Offices in all Tunisian Ports:

La Goulette — Bizerte — Sousse — Sfax — Gabes

Ask for our special information booklet!

at Tunis: Place de la Victoire & 1, Rue des Glaciers.

P.O. Box 162 TUNIS Cables: SOCOTU TUNIS
Telex: 12048 SOCOTU TUNIS 12183 SCTPRI TUNIS
Phone: 258.100 — 258.381 — 258.754

LA GOULETTE
Opposite Office des Ports Nationaux de Tunisie
Telephone: 278.857 - 278.748

BIZERTE - SOCIETE COMMERCIALE
25, Rue d'Algerie - BIZERTE
Cable: SOCOTU/BIZERTE
Telex: 12421 - SOCOTU/BIZERTE
Telephone: 02.31.257 - 02.31.440

SFAK - SOCIETE COMMERCIALE TUNISIENNE
35, Rue de France - SFAK
Cable: SOCOTU/SFAK
Telex: SOCOTU/SFAK No. 40825
Telephone: 04.21.586 - 04.29.975.
LA SKHIRA - See SFAK

TUNIS/CARTHAGE INTERNATIONAL AIRPORT
Cable: SOCOTU
SOCIETE COMMERCIALE TUNISIENNE
Telephone: 289.000 (5 lines)

SOUSSE - SOCIETE COMMERCIALE TUNISIENNE
5, Rue Ali Belhadj - SOUSSE
BP. 169 SOUSSE
Cable: SOCOTU/SOUSSE
Telex: 30.778 SOCOTU - SOUSSE
Telephone: 03.20.012 - 02.21.511

GABES - SOCIETE COMMERCIALE TUNISIENNE
30 Avenue Habib Bourguiba - GABES
BP. 49 GABES
Cable: SOCOTU/GABES
Telex: 40.840 GABES
Telephone: 05.20.504 GABES

LA SKHIRA - See SFAK

LA SKHIRA - See SFAK

LA SKHIRA - See SFAK

LA SKHIRA - See SFAK

LA SKHIRA - See SFAK

LA SKHIRA - See SFAK

LA SKHIRA - See SFAK

LA SKHIRA - See SFAK

LA SKHIRA - See SFAK

LA SKHIRA - See SFAK

LA SKHIRA - See SFAK

LA SKHIRA - See SFAK

LA SKHIRA - See SFAK

LA SKHIRA - See SFAK

LA SKHIRA - See SFAK

LA SKHIRA - See SFAK

LA SKHIRA - See SFAK

LA SKHIRA - See SFAK

LA SKHIRA - See SFAK

LA SKHIRA - See SFAK

LA SKHIRA - See SFAK

LA SKHIRA - See SFAK

LA SKHIRA - See SFAK

Gateway to Europe, Africa, and the Middle East

Tunisia is an ideal base of operations for labour-intensive export-orientated manufacturing industries

Tunisia offers a wide range of investment incentives which amount to "free port" status and have attracted over 100 foreign firms in less than two years.

- * Tax holidays
- * No restriction on the repatriation of profits and capital
- * Local loan arrangements
- * Factory space and buildings at cost price
- * A young and easily trained workforce at internationally competitive wage levels
- * Long term political stability
- * Sound and rapid economic growth
- * A well-developed infrastructure
- * Association with the Common Market

The Investment Promotion Agency (API-TUNISIE) is a government agency recently formed to assist the investor with all aspects of approval and implementation.

AGENCE DE PROMOTION DES INVESTISSEMENTS,

18 AVENUE MOHAMED V. TUNIS, TUNISIA. Telephone: 256.022 Telex: APRIN 12166

Please send me your English brochure on "Industrial Investment in Tunisia"

NAME

Position in Company

COMPANY

Nature of Business

ADDRESS

.....

.....

.....

.....

.....

.....

.....

.....

.....

business with tunisia?

UNION INTERNATIONALE DE BANQUES

(one of tunisia's "big-4")

is ready to help you with your investments or in developing your commercial business through its

- many years experience of foreign commercial transactions
- multi-lingual specialists
- branches throughout the country
- network of world-wide correspondents

Contact us at:

85, avenue Habib Bourguiba - Tunis
Tél: 247.000 - Télex: 12.397

